

November 1946

NATION'S

BUSINESS

STAGE 1

STAGE 5



★ NEED WE TAX AWAY
PROSPERITY?

... Beardsley Ruml

★ HOW TO GO BROKE
IN BUSINESS



Travel Will Be Fun Again via Canadian Pacific

Remember how pleasant it used to be to travel on Canadian Pacific ships! Remember the cuisine, the courteous service, the fun of shipboard life . . . and the ships themselves!

Just now there's a big job to do repairing the wear and tear of wartime years — replacing lost ships . . . but, when it's done, travel will be fun again—the Canadian Pacific way!

Soon a new, two ocean fleet will plow the sea routes of the world . . . and once again it will be possible to go from Shanghai to Southampton — Canadian Pacific all the way!



Canadian Pacific



SPANS THE WORLD



A development of
B.F. Goodrich
FIRST IN RUBBER

Rubber wheel with a rubber tread

A typical example of B. F. Goodrich development in tires

HAND or power trucks in and around manufacturing plants haul everything from soup kettles to glassware and steel pipe. When mounted on steel wheels loads are hard to move. Wheels ruin floors. Noise is deafening.

Solid rubber-tired wheels solved this problem.

But for many uses these wheels were too expensive. And far too heavy. In some plants where chemicals were used corrosive agents attacked the metal wheels and shortened their life.

Then B. F. Goodrich research men

came up with a new idea. They built a wheel of hard rubber, covered it with a soft cushioning tread. This all-rubber wheel rolls easily, is light in weight, and is far lower in cost. It's ideal for hand trucks such as that shown being lifted in the picture.

This development of a special wheel for a special purpose is typical of the B. F. Goodrich policy of continuing research. It has resulted in dozens of special tires for uses ranging from underground coal mines to logging camps and powder plants. It has

resulted in constant improvement of tires for everyday jobs on trucks, cars, airplanes, farm and industrial equipment. When you buy from the B. F. Goodrich dealer you are assured of tires backed by this policy of constant improvement. *The B. F. Goodrich Company, Akron, Ohio.*

Truck Tires
BY
B. F. Goodrich

... TRAFFIC IN AN INDUSTRIAL PLANT MUST BE ENGINEERED FOR FLEXIBILITY...

From a recent Fortune Magazine advertisement of The Austin Company, Engineers and Builders



FLEXIBILITY in the modern industrial plant means *designing motor transport right into a building* in exact accordance with production and distribution requirements—and with adequate provision for future growth.

CAREFUL PLANNING ESSENTIAL!

Architects, Engineers and Builders are keenly aware of the value of advance consultation with Traffic and Production Managers in linking Trucks and Trailers directly with production lines.

YOUR TRAFFIC MANAGER realizes how much production costs are dependent on transportation—and is expert at utilizing motor transport as a cost-cutting tool.

Let him work with the men who design your new plant or building. Together, they can tie motor transport into your new set-up so that you will be sure to get full dividends from this modern transportation method.

World's Largest Builders of Truck-Trailers

FRUEHAUF TRAILER COMPANY • DETROIT 32

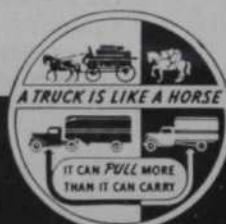
9 Factories — 62 Factory Service Branches

No factor influencing maximum efficiency is overlooked in this process plant, designed by the Austin Company. Truck and rail traffic flows are coordinated: note the ramp and elevated truck drive entering second floor over railroad siding.



SAVE WITH THE TRAILER "SHUTTLE SYSTEM"

The "shuttle" system with Truck-Trailers is one of the foremost advantages of this method of hauling. In many inter-plant operations, one truck and driver easily handle 5 Trailers. While 2 Trailers are being loaded and the other 2 unloaded, the truck is enroute with the additional unit. You can make worthwhile savings . . . in initial investment, wages and operating costs . . . by designing adequate facilities to accommodate "shuttling".



*"Engineered
Transportation"*

FRUEHAUF TRAILERS

**WE'RE HANDLING
142,000,000
LOCAL CALLS A DAY**



That's 25,000,000 more than a year ago — and an all-time high.

It didn't seem possible that available equipment, with such additions as we could make, could be stretched to handle an increase like that. But it's been done despite shortages of materials and other handicaps. Best of all, service keeps on being good on most calls.

There are delays once in a while but we're doing our best to make them fewer and fewer. Service will be better than ever as soon as new equipment can be made and installed.

BELL TELEPHONE SYSTEM





WHICH END IS DOING THE WAGGIN'?

Are you letting your costs limit
your profits or are your profits
limiting your costs?

"YOU'VE GOT TO SPEND MONEY TO MAKE MONEY"

GEORGE S. MAY COMPANY

The World's Finest Business Engineering

840 N. Michigan Avenue 122 E. 42nd St. 291 Geary Street 660 St. Catherine Street, West
Chicago 11 New York 17 San Francisco 2 Montreal, Quebec, Canada

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Nation's Business



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Cover painting by Charles De Feo

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EXPLORING HERCULES LAND

Mining Money-Savers



Since explosives were Hercules' original interest, it is natural that mine and quarry operators still should look to Hercules Land for the latest improvements and economies in these products and their application.

Through the years, Hercules' extensive research, strict manufacturing control, and wide knowledge of field conditions have resulted in a group of products to meet every blasting need. These range from high explosives for underwater use to "permissibles" for coal mining, and special dynamites for oil prospecting.



HERCULES POWDER COMPANY

947 Market Street, Wilmington 99, Delaware

HERCULES
CHEMICAL MATERIALS
FOR INDUSTRY



We wish it were this easy!

IF YOU know a magician who specializes in freight cars, please tell him he's wanted by the railroads! The unprecedented demand for cars to move this year's record-breaking grain and other crops still continues—other demands for cars are considerably greater than a year ago. As a result there just aren't quite enough cars to go around.

You see, wartime service took a heavy toll of freight cars, while wartime re-

strictions made it impossible to get all the new cars we needed. Railroads have 50,000 new cars on order, but shortages of materials and disturbances in production have held up deliveries. We still haven't enough new cars to replace those worn out carrying wartime traffic.

Railroads are calling upon all their experience to speed up the handling of cars and the movement of trains. They have been moving about 150,000 loaded

cars a day—furnishing 90% of the freight cars ordered.

Industries are helping to meet this serious situation by re-establishing the wartime practice of loading and unloading freight cars promptly—six full days every week.

Working together in this way, the railroads and the shippers will surely be able to meet the transportation needs of the nation.

ASSOCIATION OF

AMERICAN RAILROADS

WASHINGTON 6, D. C.



IN PARTNERSHIP WITH ALL AMERICA

About Our Authors

Beardsley Ruml: originator of the "pay as you go" income tax plan, learned to think in terms of millions of dollars during the year he served as assistant to the president of the Carnegie Corporation. That was in 1921. After that he served as director of the Laura Spelman Rockefeller Memorial, assistant to the chairman of Hoover's Emergency Committee for Employment, dean of the Social Science Division and professor of education at the University of Chicago and treasurer of R. H. Macy & Co., New York.

Mr. Ruml is also chairman of the Federal Reserve Bank of New York.

O. A. Seyferth: author of "Make Way for Tomorrow" (page 39), is president of the West Michigan Foundry Co. and the Austin Trailer Co., as well as board chairman of Mid-West Refineries and a director of numerous other organizations including the United States Chamber of Commerce.

A former president of a labor union, Mr. Seyferth was also at one time president of the AFL Trades Council, Grand Rapids, Mich.

George R. Stewart: historian and professor of literature, is also the author of two novels. His book, "Storm," in which the weather is its hero, prompted the editors to ask him to do an article for NATION'S BUSINESS showing how weather affects us in our daily job of making a living (page 50).

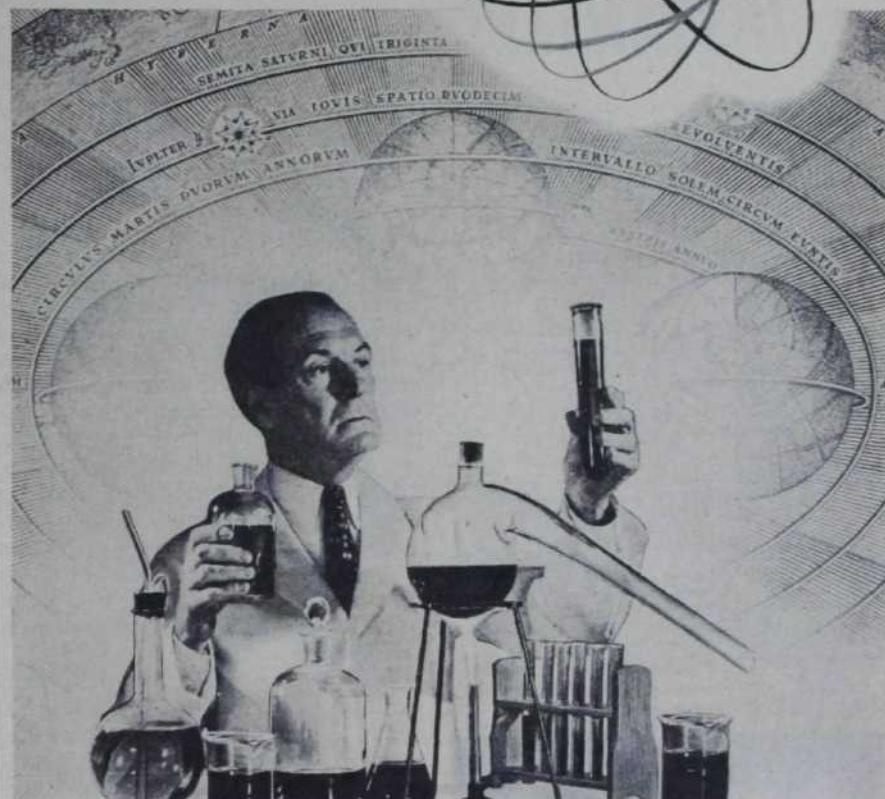
His latest book, "Man, an Autobiography," was published recently by Random House.

Ray Mitten: has been following the rubber industry for a number of years as a member of the editorial staff of the Akron *Beacon-Journal* and has developed a wide acquaintanceship with the industry's top men. Now on a Washington assignment, Mitten makes frequent trips back to Akron to check on the rubber world's latest doings (page 41).

The Cover: although most people think of motion pictures in terms of glamour—the stars, the directors, the designers—the making of film stories is as much an industry as the making of vacuum cleaners.

In his painting, Charles De Feo catches a part of the drudgery which is back of the glitter and excitement that the industry sells through its 19,000 retail outlets, the movie houses, which with their ability to seat 12,000,000 customers at one time, last year did more than, \$1,500,000,000 of business.

PETROLEUM, TOO, HAS ITS- 6th Dimension



Cities Service scientists are constantly at work enlarging the uses of petroleum, heightening its effectiveness, making it serve you in an ever-growing list of ways.

"Aye, 'tis an excellent substitute for good whale oil!"

So reasoned the first discoverers of the earth's black gold. It had value as a lubricant, yes! It might also serve as a nostrum for rheumatism, chillblains, gout, falling hair . . . But that was the end of it!

Not so, said Science . . .

Today, for example, Cities Service is represented in the markets of the world by products ranging all the way from gasoline to plastics, machine oil to detergents, insecticides

to explosives...and all of these amazingly diverse and useful products come from a base of petroleum.

Yet, this is ONLY the beginning, folks!

Cities Service petroleum experience goes back almost as far as the petroleum industry itself—and habits are hard to break! It has always been a Cities Service habit to pioneer. In the future, as in the past, you will find Cities Service research foremost in exploring each new dimension of SERVICE.

CITIES SERVICE OILS

New York, N. Y. • Chicago, Ill.

In the South: Arkansas Fuel Oil Co., Shreveport, La.



Convert thought into action...

...INSTANTLY!

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Instantly... by the mere press of a button... EXECUTONE gives you direct voice-to-voice contact with any member of your staff. Instructions may be given, questions asked, without anyone leaving his work. Conversations are as clear and natural as if the people were in the same office.

EXECUTONE frees your switchboard for important outside calls... eliminates running from office to office. EXECUTONE saves time and energy, doubles your ability to get things done. Mail coupon TODAY!

TEN YEARS OF DEPENDABLE SERVICE

This is Executone's tenth year of service to American business by helping to solve its inter-com and sound problems. Over 100,000 unconditionally guaranteed installations by factory trained specialists prove Executone's dependability and leadership in the communication field.

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NB Notebook

Voting

POLITICAL prognosticators are speeding to the finish line with their forecasts of the election results which will be known a few days from now. You can follow your favorite expert who, let us imagine, bolsters your own line of thinking, and at the same time reflect on what might happen if the country suddenly became "vote conscious" and decided—each and every one—to exercise the basic privilege of a democracy—selecting the men and women who are to govern the nation.

Any such outpouring of ballots would no doubt confound the experts. The Roosevelt high-water mark of balloting did not pass 60 per cent of the voting population by very much.

We have a loud razzberry for the scheme in Soviet Russia where voters get a chance to mark their x's for candidates they have no choice in choosing; but there is one election regulation of theirs we might do well to appraise. If 90 per cent of the voters don't vote, there is another election. The candidates are hand-picked, it seems, but voters must vote.

Gadgets

IN NUMEROUS manufacturing lines, producers are still predicting that it will be another six months to a year before they will be in a position to meet demands. The expansion of inventories, which may be due in part to material and component bottlenecks and labor stoppages, indicates somewhat that the overall outlook may not be for any such delay though exceptions are noted.

A slant on this question is to consider what might be the effect of a "gadget debacle." A lot of manufacturers got into gadgets for two reasons: (1) They were war con-

tractors in search of something to make after the war; (2) They saw they could produce something new at much better profit than for a staple article because OPA held down the lid on staples but was generous on novelties.

A hardware show in New York illustrated the situation nicely. Nails and lawnmowers were conspicuous by their absence. Gadgets enjoyed a field day.

If suddenly these gadgets lose appeal what becomes of prices, stocks, factories and employment? Moreover, what becomes of the materials in stock and on order? Producers of staples, as a result, might find both labor and material supply a whole lot easier after they ceased to flow so freely into the hands of the gadgeteers.

35 + 5 = 42 1/2

WITH absenteeism becoming the chief roadblock to increased production, a Chicago company is using a pay plan that seems to get results in tearing away the obstruction. The Guardian Electric Company pays time-and-a-half for the last five hours of a 40-hour week and its slogan for the plan is $35 + 5 = 42\frac{1}{2}$. The worker must be on the job all week to obtain the extra pay, which is offset as a cost by the gain in production.

The day after the plan was published as an advertisement, only $6\frac{1}{2}$ per cent of the more than 700 employees were absent compared with a normal Monday rate of 14.6 per cent, according to Frank Rowell, Sr., president. For the week 228 employees were absent against 451 in the preceding week.

Forecast goes wrong

A COAL mining official is having a bit of fun these days with a scientifically-minded friend by sending him all the news as it develops

*Candidate for
best dressed woman
of the year...*

YES, along with millions of other American women, she can easily afford that "best dressed" look! She owes this good fortune to a 3-billion-dollar-a-year women's ready-to-wear industry... raised to such stature by rayon.

Rayon's contribution to the clothing industry is clear. Because rayon is man-made, it can be engineered... improved. Research has steadily adapted it to special needs. As its uses increased, production mounted, prices dropped. While fashionable clothes once were for just a few, now inexpensive rayon dresses... styled to each new season... are worn literally by millions. Today more than half of the women's dresses sold in America are made of rayon.

Engineers of American Viscose, the nation's largest producer of rayon, have worked closely with textile makers to help provide men, women and children with finer, better-looking clothes of rayon... at ever lower prices.

AMERICAN VISCOSÉ CORPORATION

America's largest producer of rayon

Offices: 350 Fifth Avenue, New York 1, New York; Charlotte, N.C.; Cleveland, Ohio; Philadelphia, Pa.;
Providence, R.I.; Washington, D.C.; Wilmington, Del.

*Reg. U. S. Pat. Off.



*A better way to
buy Rayon Fabrics*



This identification is awarded only to fabrics containing CROWN® rayon, after they have passed the CROWN Tests for serviceability.



"You pick the well-groomed
letter every time, too,"
says King Cotton



To be successful in any capacity a girl doesn't have to be beautiful, but she does have to be well-groomed. Isn't the same thing true of your letters? Isn't it silly to "save" a fraction of a penny a letter by using cheap, limp, unattractive stationery?

For people judge your firm by the quality of the paper you use for letters. Your business will be better liked if you use *quality* bond paper made with *new* cotton fibers.

Parsons bond papers, for stationery and documents, are outstanding in feel, in writing and erasing qualities, in strength, durability

and permanence. These are Parsons bond papers:

OLD HAMPDEN BOND, 100% cotton and linen fiber

PARSONS BOND, 100% cotton fiber
L'ENVOI, 100% cotton fiber

LACONIA BOND, 75% cotton fiber

EDGEMONT BOND, 50% cotton fiber

HERITAGE BOND, 25% cotton fiber

Parsons paper for your stationery will reflect the fact and the feel of *quality* in your organization, your business, your office. For cotton is the hallmark of quality in modern business papers.

It Pays to Pick
PARSONS
P A P E R S
Made With New Cotton Fibers

PARSONS PAPER COMPANY - HOLYOKE, MASSACHUSETTS

on the new coal-fired gas turbine. A while back the scientist in a rash moment had predicted that the oil-propelled turbine would have the coal industry "on the ropes within ten years."

This forecast might well have come true because the coal researchers had two tough problems to lick in any application of their product to turbine operation. First, there was the job of finding a practical method of reducing coal to fine particles for the explosive charge, and the second difficulty was to remove its abrasive effect on the spinning metal vanes.

For the first solution the coal men borrowed a trick from the cereal industry. "Food shot from guns" is grain suddenly released from heavy pressure. Applied to coal this principle yields particles of a fineness beyond requirements. A cyclone separator, which removes 95 per cent of the ash, eliminates most of the abrasive action.

Designed from studies by Bituminous Coal Research, Inc., which is jointly sponsored by the coal operators and the railroads at the Battelle Memorial Institute at Columbus, Ohio, two coal-fired locomotives are promised for operation next year. And the scientist who ventured his forecast of "curtains for coal" will probably have a picture to frame as a warning against similar excursions of fancy in the future.

Wholesalers band

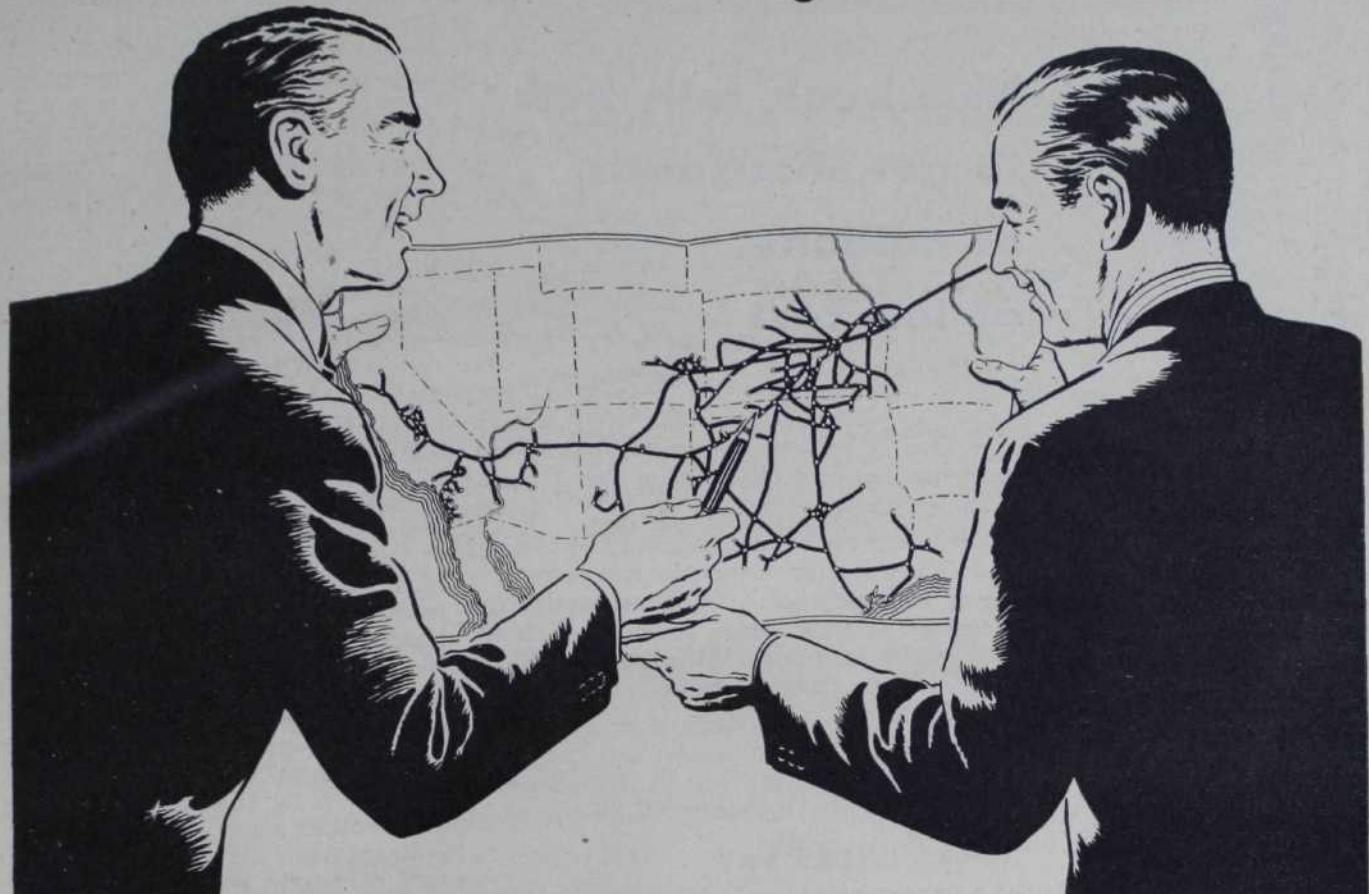
SOME years ago a wholesaler was known as a jobber. The term, however, had a certain unpleasant ring to it and so the jobbers crusaded for a change in their title. In the intervening years a few strong and progressive organizations of wholesalers have accomplished notable work in increasing the efficiency of their operations but, by and large, the craft has suffered by reason of its lack of centralized effort to promote a knowledge of its advantages in the scheme of marketing.

To correct this weakness and offer a stronger front to mounting competition from chains, supermarkets and big retailers who have combined the wholesale function in their operations, 22 leading wholesale organizations have formed the National Association of Wholesalers, intended to put this business on a par with industrial and retail federations. A previous attempt had fizzled.

The initial purposes of the new group will be to get the facts to back up the value of the wholesale function, to encourage education-

Santa Fe

..that's the System!



Here are some of the reasons Santa Fe keeps freight service "on the advertised" (which is railroad language for "on-time performance"):

- ... world's largest fleet of giant 5400-horsepower freight diesel locomotives.
- ... more miles of double track than any other western road.
- ... world's largest private telephone system, to keep shipments moving more swiftly.
- ... increased yard capacity, and improvements along the line, such as curve straightening, new bridges, longer sidings.

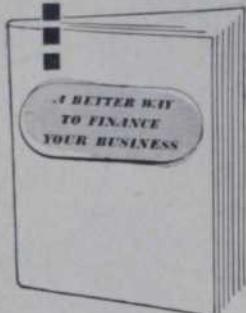
It all adds up to getting what you want where and when you want it, when you ship Santa Fe.

SANTA FE SYSTEM LINES
Serving the West and Southwest



*Ship
Santa Fe
all the way*

A BETTER WAY TO FINANCE YOUR BUSINESS



New book tells how to get thousands or millions at low cost

If your business needs thousands or millions quickly . . . for working capital or any other sound business use . . . send today for this new book. It will open your eyes to new opportunities for profit, through a method of financing that gives you a more liberal, more flexible and more dependable source of cash at low cost.

Manufacturers and wholesalers have used our Commercial Financing Plan to a total of more than *One Billion Dollars* in the past five years . . . because it gives them more money to work with . . . under a continuing arrangement that lets them plan ahead with confidence. It frees them from worries about renewals, calls and periodic clean-ups of loans. And it involves no interference with management . . . no restrictions on operations.

Send today for a copy of "A Better Way to Finance Your Business." Learn how little money costs, how much more you can get and how long you can use it under our plan. No cost, no obligation. Just write the nearest Commercial Credit office listed below and ask for booklet "C."

WHAT USERS SAY

- "The cost of your service is very nominal and can be absorbed easily by the saving obtained."
- "Business more than double . . . Your cooperation and promptness . . . enable us to buy better stock in bigger quantities at more attractive prices."
- "The use of your services has enabled us to increase our volume of business materially at a cost which is cheaper to us than other means of financing."
- "This financing has afforded us the opportunity to expand our business and improve our credit position."
- "Our cost of money is less than a line of credit . . . to meet peak seasons."

COMMERCIAL FINANCING DIVISIONS:

Baltimore, New York, Chicago, Los Angeles, San Francisco, Portland, Ore.



FINANCING OFFICES IN PRINCIPAL CITIES OF THE UNITED STATES AND CANADA

al interest, to watch and act upon legislation that affects the business, to participate in conferences having wholesaler interest and to study the mechanics of wholesaling with a view towards more economical operation.

As the wholesalers concluded their organization sessions, they were greatly encouraged no doubt to learn that a British delegation of wholesalers visiting this country were positive that they would remain in the scheme of things even under a Socialist Government which often blames the middleman for many economic ills. If Englishmen count the wholesaler necessary, why should there be any doubts on this side of the water?

Wage guarantees

ANNUAL wage and employment guarantee plans are increasingly coming to the fore as management seeks solutions to its vexing labor relations problem. The National Industrial Conference Board has made a study of 61 guarantee programs to determine the elements of success or failure under the title of "Annual Wage and Employment Guarantee Plans."

Half the plans studied, or 32 out of the 61, had been discontinued, most of them after less than five years' trial. However, two of the programs are still in effect after 20 years of operation. Of the plans abandoned, eight were dropped due to wartime conditions and seven as a result of the depression in the early '30's. A variety of reasons were given for the discontinuance of the other plans.

Many firms reported that they can overcome seasonal employment difficulties but are baffled in solving mass unemployment problems that are presented by cyclical business swings. It is on this account largely that firms in the consumer non-durable lines, such as food, clothing, soap, etc., are more favorably situated to provide stable employment than are manufacturers in the durable goods industries where the effect of the major cycles is more pronounced.

Preparedness

MAYBE the lesson has been finally learned that, although our country is usually caught unprepared for war, it catches up mighty fast and soon passes all others in might of munitions output. Germany repeated her bad guess and Japan missed out on her first estimate.

However, Uncle Sam has also come to realize that it is costly,

HOW ANOTHER SMALL BUSINESS TOOK ROOT IN ALUMINUM



Did I tell you about my new shoes?



"They're made of aluminum... just like the shoes Assault wore in winning the Kentucky Derby, Preakness, and Belmont Stakes. Wait till I go to the post again!"

... So goes the gossip among race horses today.

This new style in horseshoes dates back to 1928 when Mr. Leonard Leipman, president of The Victory Racing Plate Company, Baltimore, Maryland, sparked the idea of aluminum racing plates... figuring that even a horse needed to save horsepower. He was a true "imagineer" . . . with good "horse sense". Fine steel shoes had been made for years. But to make them of aluminum, that was different.

What alloy would make the best shoe? What temper? Could it be forged? Would the weight saved be worth-while? These questions needed answering.

Alcoa engineers were called in and supplied the perfect alloy for the job. It was light (one-third the weight of iron), strong, durable, easily forged. Made an excellent horseshoe.

The Victory Racing Plate Company has made over a million aluminum horseshoes, without a single report of failure of their shoes in actual use. They're being worn by the leading thoroughbreds of the nation . . . reason enough for the gossip among race horses today.

This is another example of how hundreds of businesses, large and small, have been helped by Alcoa's 58 years of experience working with the makers of all kinds of aluminum products.

Maybe *you* have a product that should be aluminum. Maybe we can help *you* make it better at lower cost. ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh 19, Pennsylvania. Sales offices in principal cities.

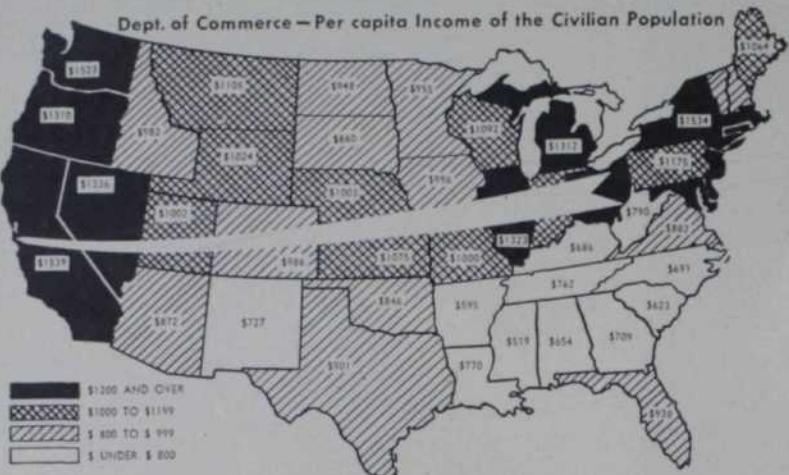
ALCOA FIRST IN ALUMINUM



INDUSTRY

follows the markets

Dept. of Commerce — Per capita Income of the Civilian Population



Another reason why better than 2 firms each month locate in Santa Clara County!

Manufacturers first moved West to take advantage of decentralized production facilities. But once on the Pacific Coast, industry discovered a rich market, growing at a fabulous pace.

The Department of Commerce per capita income map, reproduced above, gives a graphic picture of the Western market. Purchasing power on the West Coast is 30.6% above national average. And the Western buying population represents 17% of the United States total . . . with the trend still sharply upward. Located at the population center of the Pacific Coast, Santa Clara County is in a preferred position to serve this rich market. Transportation by land, sea and air is unexcelled. Labor has shown an ability to produce. And residents here really LIVE, in the true sense of the word.

New industries are arriving in Santa Clara County at the rate of better than two a month. Isn't there every evidence that your firm should be interested in this location?

WRITE FOR THIS FREE BOOK

"Post War Pacific Coast" contains 36 pages of current information about the West and Santa Clara County. No cost or obligation—but write on your business letterhead.

DEPT. N, SAN JOSE CHAMBER OF COMMERCE, SAN JOSE 23, CALIFORNIA



SANTA CLARA COUNTY *California*

The population center of the Pacific Coast

indeed, to let aggressor nations form and act upon their ideas of our weakness. Therefore, a new M-Day program is in the making with trimmings of stand-by plants, critical material reserves, research and "educational" orders for manufacturers.

Donald Nelson, wartime production chief, has been called in to help with this plan which ought to impress the world that while we did it fast enough in World War II, we will do it much faster in any future emergency.

What will interest industry is flexibility introduced into military thinking. Expenditures could be a whole lot less than the services are asking, industrial leaders assert, if materiel and methods were not "frozen" but represented, whenever the emergency arose, the latest technical advances achieved in industry itself.

Flexibility, in short, would pay off the armed services and the taxpayers as well.

Export packing

ONCE our export trade frees itself of wartime shackles there will be less discussion of how government regulations at home and abroad are interfering with the sale of goods and a good deal more talk of how American exporters are jeopardizing their business by shipping products in the wrong kind of packaging. That was a favorite topic in years gone by as travelers returned from foreign climes and described the mistakes in great detail—the flimsy containers which didn't last through three or four rough unloadings and the crates and whatnot which were never designed for transport by mule pack.

However, this may not be the topic it once was because a great deal was learned in the war about export packing; how to get the goods to their destination without damage and to keep them where they were wanted without deterioration.

The business of export packaging has become a science and, like other sciences, has developed new materials and methods to meet most requirements.

Plane transportation has introduced new types of packaging. The latest is a transparent plastic, 50/1,000 of an inch thick, which is said to withstand temperatures ranging from 120 degrees below to 160 degrees above zero Fahrenheit. Packed in this new material, several hundred items were sent recently on a trip around the world.



22 GROSS VEHICLE
WEIGHT CLASSIFICATIONS
FROM THE
MASSIVE CAB-OVER-
ENGINE HIGH-RACK
OF 16,000 POUNDS
TO THE
SPEEDY PICK-UP OF
4,000 POUNDS
15 MODEL SERIES

99 models to choose from *9 wheelbases to fit your hauling needs*

Now even more truck operators can avail themselves of the advantages and qualities that have made Chevrolet trucks the first choice of the most buyers . . . for the expanded line of 99 models includes new trucks of greater payload capacity than any previous Chevrolets. . . . All the popular models of the past are retained in the line, improved and refined in engine, chassis and body; the added models, in the upper weight-class bracket, extend the range of gross vehicle weights to 16,000 pounds. . . . And Chevrolet is the first to introduce, as standard equipment on all medium- and heavy-duty models, advanced wide-base wheels with removable side rings.

CHEVROLET MOTOR DIVISION, General Motors Corporation, DETROIT 2, MICHIGAN

ADVANCED WIDE-BASE WHEELS



GREATER SAFETY AND ECONOMY

- Easy tire removal and mounting
- Tires run cooler
- Treads make full contact
- Even load distribution
- Greater tire mileage
- Tire side walls straighter and stronger
- Increased air volume under load

For detailed information on the complete line of Chevrolet trucks, address Room A-211, Chevrolet Motor Division, General Motors Bldg., Detroit 2, Mich.

CHEVROLET TRUCKS





This shortage is the mother of improvement

ANOTHER REASON FOR GOOD^YEAR LEADERSHIP

The paint you see here has three component parts—the pigments, which give it color; the oil base, which serves as a vehicle for the pigments; and the drying agent.

During the war, the critical shortage of fats and oils threatened the very existence of the paint industry. Goodyear scientists set out to find a suitable substitute. They developed a new synthetic resin—Pliolite S-5—which not only does the job as well but does it better!

Paint made with Pliolite S-5 is highly resistant to water, alkali, acid,

fumes; performs well under brilliant sunshine; does not discolor in either darkness or light. And this new resinous material does not contain any oils or any other critically scarce items. Goodyear is stepping up production of Pliolite S-5, sells it only to paint manufacturers.

Here, again, is an outstanding example of how Goodyear leadership works in a wide range of operations—each day developing new skill to improve old products, each day following fresh research trails to the building of better new products for you.

The world's foremost builder of tires, Goodyear is also a leader in metals, fabrics, chemicals, plastics . . . always making sure that all Goodyear products are better today than they were yesterday, better tomorrow than they are today.



THE GREATEST NAME IN RUBBER

MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington
observers of government and business

► BUSINESS BAROMETERS point to more industrial production, higher prices, smoother distribution over the coming three to six months.

Talk of a broad price collapse is banished by Washington's decision to hasten complete liquidation of OPA. There's a good chance that the new Congress may extinguish remains of OPA by March 1.

In calculating general price movements for 1947, keep four basic facts well in mind:

1. Money in circulation is seven times the prewar volume.

2. Total tax requirements, federal and local, promise to stabilize at about three times the prewar total.

3. Savings and credit resources are almost 10 times the prewar level.

4. World bank has established permanent credit machinery for international reconstruction, to be supplied principally by U.S. materials and manufacturers.

► NEW CONGRESS will be decidedly more conservative, regardless of party division.

This means a hastened movement away from holdover war controls.

Republicans promise to declare the "duration" at end before March, thus winding up emergency war powers six months later.

Greater political stability in Congress will tend to pare down federal spending, unwind housing red-tape, put national defense on a permanent peace-time basis, stimulate industrial investments and pipe down many party-line operators in key administrative berths.

If voters' tempers are any indication, the 80th Congress will come in a-roarin' with blood in each eye—first, to rip out OPA by its roots, second, to modify the Wagner Act.

► BUYER RESISTANCE to advancing prices and substitutes does not forecast a price break.

Widely scattered surveys show this resistance is growing.

But accumulated demand is so great you can eliminate the discontents and still have ample market to absorb production.

There are exceptions, of course, but not many. Off-brand radios, for example. Meat at \$1 a pound for another.

On the whole buyers, who refuse substitutes, delay or replan buying because of high prices, probably will prevent instead of cause a price break.

They serve warning of a developing attitude while merchants still have time to move inventories, get rid of ersatz, prepare for more selective buying.

Rising inventories do not at present reflect piled up goods.

Manufacturers' inventories are 60 per cent above 1939 on dollars, but only 10 per cent on units.

At the retail level they are about 10 per cent above midyear. Nearly all the rise is in prices, not units.

Despite these dollar volume rises, present inventories do not represent the danger that caused many 1920 failures.

After World War I high priced inventories were largely financed by loans. When prices broke, merchants were unable to move their goods or pay off their loans. Thus the failures.

This time most inventories are financed from operating profits. In case of a price break, profits would be cut, but merchants would remain solvent, be able to salvage some value from inventories.

In the long run prices will settle slightly downward after bouncing to post-OPA highs. But they won't fall as far as they fell after World War I.

Bureau of Labor Statistics wholesale price index stood at about 80 at the start of each war.

It soared to 168 in 1920, then settled back to an average of 100 for the next 10 years. Present indications are that, while it may jump to the 1920 high next year, it will settle at about 120 for the long pull.

Thus we won't have so far to fall.

► AMERICAN COTTON, selling at 35 cents a pound—above the 1920 peak—is beginning to feel stiff competition from rapidly developing rayon, which becomes competitive when cotton passes 22 cents.

At the same time, the spread between U.S. and world price of cotton tends to cut off American fiber exports, except for the give-away or long term loan demand.

U.S. supply of raw cotton in current crop year is estimated at 16,700,000 bales, with total consumption plus ex-

ports placed at 12,500,000. The resulting carry-over next August would provide barely normal marketing and mill inventories.

World production and carry-over for current year total 42,000,000 bales, with world demand estimated at 28,000,000.

► SANTA'S TOY PACK will contain most of the prewar favorites this year, plus many thrilling new items developed by wartime gadget makers—scale model earth movers, concrete mixers and wireless telephones; doll houses with running water and electric irons which warm up.

Relaxed metal controls enable toy industry to resume standard qualities in materials, design and workmanship.

Trade anticipates \$250,000,000 in retail sales this season, which probably won't meet demand.

► ANIMAL FEEDS in U.S. for new crop year are largest on record in relation to livestock and poultry population.

Agriculture reports total feed supply from new crops and carry-over will be 8 to 10 per cent greater than last year, as measured in relation to animal population, and 15 per cent above the 1938-42 average in tonnage.

Converted into marketable meat, poultry and dairy products, these feed supplies forecast abundant food for both U.S. demand and reasonable export commitments.

► INDUSTRIAL FARMING with big capital investments in mechanical equipment and labor-saving plant is the basic development pattern in American agriculture.

U.S. has 100,000 farms larger than 1,000 acres each. Average farm of 134 acres in 1880 has expanded to 200 acres today.

With this trend, the average annual value of farm production per worker has expanded from \$360 in 1870 to \$2,500 in 1945. But Census experts say "we may be no further than half way along the road to mechanization."

► SOUTH'S steady movement away from one-crop agriculture is typified in the success of Georgia's diversification campaign.

Georgia reduced her cotton acreage 74 per cent between 1910 and 1945, while multiplying milk production eight times, pecans five times, tobacco 45 times, peanuts four times. In the same period, Georgia increased hog and cattle production by 30 per cent, chickens by 140 per cent, and eggs by 90 per cent.

Comparable progress is reported gen-

erally in southern states, but Georgia leads in the variety of her new crops, which range from grapes, prunes and pecans to oranges, yams and tung oil.

► LEAD SUPPLY shows little improvement under federal subsidy. RFC says it's unable to bid in foreign metal at prices that permit processing within OPA ceilings. World free price is now 25 per cent above OPA's domestic ceiling.

Lead allocations for 1946 were fixed last December at 650,000 tons. Production during the first nine months was barely 300,000 tons. Government stock pile of emergency reserves has been reduced to less than 20,000 tons.

Trade estimates 1946 demand for lead in U.S. at close to 1,000,000 tons.

Lead is the only metal which will serve for protective sheathing in atomic energy plants.

► COMMUNIST FIFTH COLUMNISTS in CIO face a desperate fight to avoid expulsion from November convention at Atlantic City.

Several major CIO units have fallen into complete control of communist leadership, which rank and file have been unable to dislodge.

Thirty-four CIO leaders from seven large affiliated unions have been working quietly for months on the projected communist purge.

Two affiliated union presidents have resigned since July, charging CIO policy makers are dominated by communist philosophy.

Watch for a showdown at the Atlantic City convention.

► HARRY BRIDGES' expansion to Hawaiian agriculture areas is taking a heavy toll in next year's U.S. sugar supply.

Prolonged CIO strike in island cane fields cut off irrigation on about 65 per cent of Hawaii's oncoming crop; industry says withered stalks mean 200,000 to 300,000 tons of refined lost from our 1947 sugar budget.

Party-line strategy of several new CIO unions in agriculture field is to strike each crop at critical development or maturity phase, when a 10 day walk-out entails loss of 25 per cent to 75 per cent of entire year's production.

► STALIN'S PUPPET GOVERNMENT in Poland has published a list of 513 firms to be "nationalized without compensation to the owners," plus 404 additional firms to be nationalized with compensation.

Many American holdings are on the non-compensation list, because they were actually taken over by Russia from Ger-

man ownership which followed the Hitler invasion.

U.S. principals are not permitted to inspect their properties behind the Iron Curtain.

Polish Government allowed 30 days after Sept. 30 for filing of protests by former owners of nationalized property, but did not permit list of specific firms to reach U.S. until 30-day protest period had expired.

► **EMPLOYMENT OFFICES** go back to state control Nov. 16, under a rider attached to Labor Department's appropriation bill in the last days of the congressional session.

But Washington now pays entire budget of each state's employment service. Hence, local administration is tied permanently to federal regulations.

► **FEDERAL GRANTS** to assist development of municipal airports, as authorized by the new Federal Airport Act, are subject to local compliance with national standards.

To assist cities and towns in qualifying, the National Association of State Aviation Officials has prepared a model law for state administration, which the Council of State Governments, Chicago, will submit to 1947 legislatures.

To aid in selection of sites, Civil Aeronautics Administration offers a new technical handbook on photo surveys and soil identification according to engineering requirements for airport construction.

► **INDUSTRIAL RESEARCH** pays everybody, but first benefits are uniformly to the consumer.

Despite higher crude prices, gasoline has come down from 14 cents to 5.75 cents a gallon at the refinery since 1925. In the same period gasoline quality has been stepped up from average 60 octane to 75 octane.

Standard Oil research organization kept books on its development costs for 10 years; found every \$1,000 invested in research returned \$15,412 in more efficient production, new products, or reduced royalties.

► **U.S. RAILROADS** carried more than 90 per cent of all military freight during war, plus 98 per cent of total military passengers. War Department recapitulation of railroads' splendid wartime job says they carried 294,000,000 tons of military cargo and 33,500,000 military passengers in groups of 40 or more.

Increased efficiency of rail operations enabled carriers to move this war

load with 600,000 fewer freight cars, 16,000 fewer passenger cars and 32,000 fewer locomotives than in 1918.

Average railroad employment in last war was 500,000 less than 1918.

Says Army transportation chief: "Mass production depends on mass transportation."

► **SOCIALIZED MEDICINE** gets a body blow from current scientific survey of state medicine in Russia, Germany, England and New Zealand, published by U.S. doctors and dentists opposed to Wagner-Murray-Dingell bill.

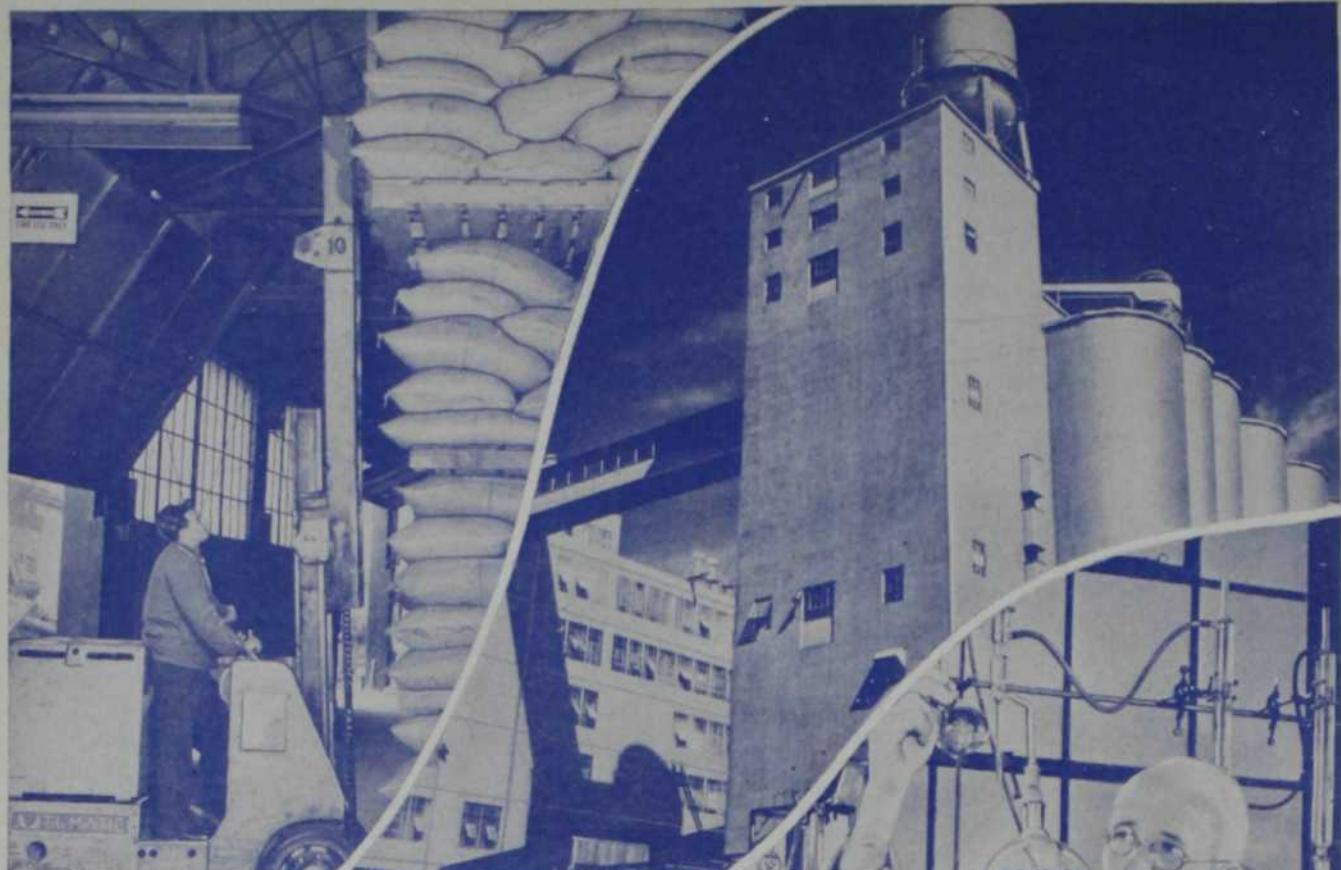
To place all doctors, dentists and hospitals under federal bureaucratic control, the study concludes, would be to drop American standards of health and welfare into "the appalling quagmire of mediocrity in which we now find it in Germany, England and Russia after years of political medicine."

► **UNITED NATIONS**' first educational and cultural conference is scheduled for Paris this month to map world cooperation in natural sciences, social services, communications and arts.

One project to be presented by the U.S. delegation contemplates a \$250,000,000 around-the-world radio chain to lay down a clear and distinct United Nations broadcast signal at every habitable point on the globe.

Preparatory commission estimates cultural budget up to \$1,500,000,000 a year "might be well justified."

► **WASHINGTON BUSINESS BRIEFS:** The Army has created a special task force to develop and test military equipment and supplies in the north Polar regions.... Federal Reserve soon will relax wartime controls over consumer credit.... Owens-Corning has listed 181 fiber glass patents for public licensing, for air filters, heating pads, sound insulators and glass yarns.... Bureau of Mines' magnetic surveys indicate unexplored iron deposits south and west of the famous Mesabi Range in Minnesota.... That history-making 11,000 mile experimental flight over the North Pole to Cairo cost \$2,795 for gas and \$162 for oil.... Textiles will be next major industry decontrolled.... Editor Henry Wallace, with an established party-line weekly at his command, envisions a revived PAC ready for the Democratic presidential primaries in '48.... U.S. is buying Argentine linseed oil at 40 per cent above OPA domestic ceilings.... Shortage of truck and rail facilities will be management's biggest headache this winter.



General Foods simplifies payroll and accounting procedure with *Nationals*

For over a year, General Foods has handled a nation-wide salary payroll with a National Payroll Machine system. Installed in New York headquarters, this system has made possible the more efficient and speedy preparation, writing, and distribution of salary checks.

National Payroll Machines produce a payroll check showing printed figures for the gross amount of pay, each deduction, and net amount of check—the same printed data appears on a complete payroll summary and a detailed employees' earning record. All necessary tax figures are accumulated and recorded. All entries are clear and legible. In addition, paper-size of the employees' statement is reduced to a convenient, more easily handled unit—thus stationery savings are very high.

Installed in the same offices, National Bookkeeping-Accounting Machines are used in General Food's accounts-receivable procedure. Efficiency has been heightened here, too. The many time-conserving, automatic features of National machines give them an advantage in speed; their simplicity makes it easy to train

operators. Another plus—these machines can be used for trial balancing or other miscellaneous adding.

No special system need be adopted to fit National machines—they are built to fit any system in use, meeting the needs of individual plant practices and methods. So, whether your business is large or small, National will probably be able to suggest new and better methods to reduce your accounting costs and increase profits.

Let a National Representative examine your needs and make recommendations, without cost or obligation to you. The National Cash Register Company, Dayton 9, Ohio. Offices in principal cities.



View of payroll and accounts receivable installation at New York office of General Foods.

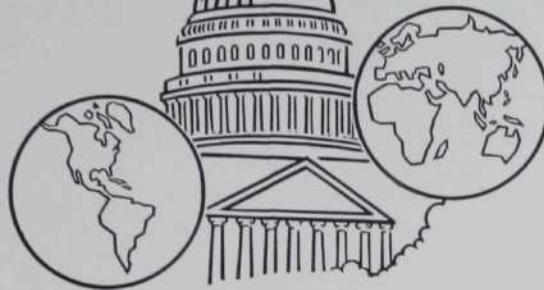


National

CASH REGISTERS • ADDING MACHINES
ACCOUNTING-BOOKKEEPING MACHINES

Making business easier for the American businessman

TRENDS



OF NATION'S BUSINESS

The State of the Nation

AS this comment reaches your desk, you face with the rest of our citizens, one of the most important civic duties which the American people of our generation are expected to perform—the selection of the group of legislators who will form the Eightieth Congress.

Our Government does not summon, or even formally urge, any citizen to go to the polls, much less advise him on how to cast his ballot when he gets there. Yet the Fourteenth, Fifteenth and Nineteenth Amendments to the Constitution all refer to "the right to vote" and that right is, except for the unhappily disfranchised residents of the District of Columbia, the most fundamental privilege of American citizenship. At the same time it is a constitutional right which, unlike most, the citizen must assert for and by himself. Therefore it is a right which can be easily lost by the individual and could easily be forfeited by the community as a whole, as many life-long residents of the city of Washington can attest.

Some time must elapse before we shall know how many of those empowered to vote in this November election will actually do so. At best, the absentees will be a sizable percentage of the potential electorate. Discounting the incapacitated, and those unable to meet state registration requirements, it is all too probable that several million persons who could and should vote will fail to do so on November 5. Nevertheless, most of these delinquents would illogically feel outraged if they were deprived of some other constitutional right, such as trial by jury.

The expectation of privilege without compensation through personal exertion is an attitude as

fatal to political health as it is to well-being in any other aspect of cooperative living. Every personal right is also a personal responsibility and if the latter aspect of the fusion is ignored, the former will soon cease to have validity.

It may be predicted that, at lunch on this election day, some who have been "too busy to vote" will criticize trade unionists who demand as a right a wage scale which they take no responsibility to cover with profits. The criticism is valid, but is equally applicable to employers who shirk the responsibilities of citizenship and still expect its privileges. There was a period, from 1929 to 1932, when the people of the German Republic could have snowed the Nazis under at the polls. In several national elections, each more critical than its predecessor, they failed to do so and in consequence lost not merely the franchise, but in the long run nearly everything else as well.

While most Americans agree that voting is a responsibility of citizenship, and dutifully cast their ballots with regularity, a considerable proportion of those who vote are inclined to argue that the action is of more theoretical than practical significance. For minor offices, at least in the big cities, the candidates are unknown to many of the electors. Even as between the congressional or the gubernatorial aspirants the choice often seems almost arbitrary. The conscientious voter feels that he has little of that discretion which alone gives significance to the process of selection. He must either vote a straight party ticket as presented to him or, in many cases, mark his ballot for Tweedledum as opposed to Tweedledee.

This superficially plausible reasoning reflects



Welds that Ward off Body Blows **...another step in the march of welding**

Wh-r-o-o-m . . . boom . . . BANG! With a thunderous roar the boulders go crashing into the truck. The big carrier staggers with impact. Then it starts up, delivers its load—and comes right back for more!

What kind of trucks can stand these body blows, day in, day out? The builders found the answer: trucks with bodies of welded steel! Here are no bolts to loosen . . . no rivet holes to weaken under strain. Here is arc welding, the strongest fabrication known!

P&H Electrodes are doing the job, just as in the P&H plant where they are used in building the all-welded power shovels with which the trucks are loaded.

Yes, P&H is not only a leading maker of welding electrodes, but a leading user as well.

And truck makers, like many others, have found this unique user-maker experience a helpful guide in meeting their own welding problems. It is offered as part of "America's most complete arc welding service."

P & H

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ARC WELDERS • EXCAVATORS • ELECTRIC CRANES • MOTORS • HOISTS • WELDING ELECTRODES

Manufacturers of
Overhead Cranes • Electric Hoists
Excavators • Welding Positioners
Arc Welders • Welding Electrodes

MILWAUKEE 14, WISCONSIN

the political aspect of an indifferentism which, in many fields, is appreciably affecting our national character and sapping our national strength. What is the benefit of church attendance if the minister merely voices well-worn platitudes? Why worry about the educational training of Johnny and Mary when one pays, by tuition fees or through taxation, for the school to do the job? Why bother to do any serious reading in philosophy, history or politics when the radio commentator and the news weekly are streamlining so much information?

Indifferentism is particularly dangerous for America because we have no governing class as such and because our way of life is based on the assumption that, as a people, we are willing to pay the inescapable price of liberty, well defined as "Eternal Vigilance."

That definition means exactly what it says. Politically, eternal vigilance implies not merely an occasional vote, but also an active interest in the operations by which candidates for office are selected, as well as a continuous check on the public activities of those elected. Under the system of representative government an inferior congressman presupposes an inferior electorate and it is certainly a weak alibi to say, as one often hears, "Well, anyway, I never voted for him."

The same individual responsibility, of course, attaches to the more limited electorates which, directly or indirectly, must take the blame for the appointment of an incompetent teacher or an inadequate minister. And the most fundamental and inescapable responsibility of all rests on those parents who, for better or worse, provide the home environment from which the citizens of the coming generation acquire the patterns which will affect their entire lives.

Congress Representative of Us

It cannot be too much emphasized that the new Congress, wholly regardless of its political complexion, will be representative of ourselves—of our virtues and of our failings. And, to the extent that people have responded as individuals to the challenge of the times, it will be a better-than-average Congress. There is reason to think that the general reaction to our mounting difficulties, foreign and domestic, is not merely one of disillusioned cynicism or impotent lamenting. The characteristic American response to a problem is intelligently to seek its solution and one may anticipate that this psychology will be reflected in the composition and character of the Eightieth Congress.

While the new Congress will unquestionably be representative, there is reason to hope that it will be something more than that. "The House of Representatives," says one of the Federalist Papers (No. 57), "is so constituted as to support in the members an habitual recollection of their

dependence on the people." But the same farsighted political architects also foresaw that: "A few of the members . . . will possess superior talents . . . will be thoroughly masters of the public business."

Precisely because the times are so serious they may now be expected to produce an unusually high proportion of representatives, in both House and Senate, of "superior talents." Such men will always address themselves to the public business not merely as local spokesmen but also as creative thinkers. They will remember Edmund Burke's famous "Address to the Electors of Bristol," in which this great English statesman told his constituents that he would repay their trust by giving his deepest thought to those national issues which were fundamentally more important to Bristol than its strictly parochial concerns.

Enemies of Democracy

Adolf Hitler and all his principal associates are now dead. But their evil work in defaming and destroying the system of representative government is still carried on. The Communists, who are more than half Nazi in their political thinking, hold high the destructive torch which fell from the Fuehrer's hand in the ruins of Berlin. Over a large part of the globe, including countries where it was once well established, the parliamentary system of government no longer exists. Even in the United States the practice of criticizing Congress as an institution, of passing the same cheap jibes that compose the third chapter of "Mein Kampf," is gaining ground. It is forgotten that Congress, whatever its faults, is representative; that every man or woman who sits there is present as a result of the free choice of the voters in his or her constituency.

Confronting the next Congress, when it convenes on January 3, will be the opportunity—which may not last indefinitely—of reaffirming American faith in one of the most fundamental of American institutions.

This will be the first Congress in eight years to be elected with the world at least nominally at peace. The task of the Eightieth Congress, regardless of which of the major parties is in control, will be to help in leading this country, and therewith the world, to an undictated stability on which the constructive power of mankind may again assert itself.

It is the freely-chosen representatives of the American people who must meet that challenging assignment. We, who as individuals elect the new Congress, cannot in honor or in honesty deny our responsibility in the work that lies ahead.

FELIX MORLEY



"I collect LIGHT!"

(BASED ON A TRUE STORY)

by Mr. Friendly



It's a fact! . . .

When I take a walk at night I collect light.

It's waiting for me at 35 houses in town . . .

warm glowing light that pours through the windows
and shines on the lawn outside.

I roll up this light and put it in a pocket next to my heart . . .

You see, 35 homes are bright tonight because

American Mutual and I discovered that a

factory roof was dangerous . . . 35 families are together because
we noticed that a building was a few inches out of line!

There are other lights too . . .

Like the light in the home of a worker

who broke his leg. We're paying the bills.

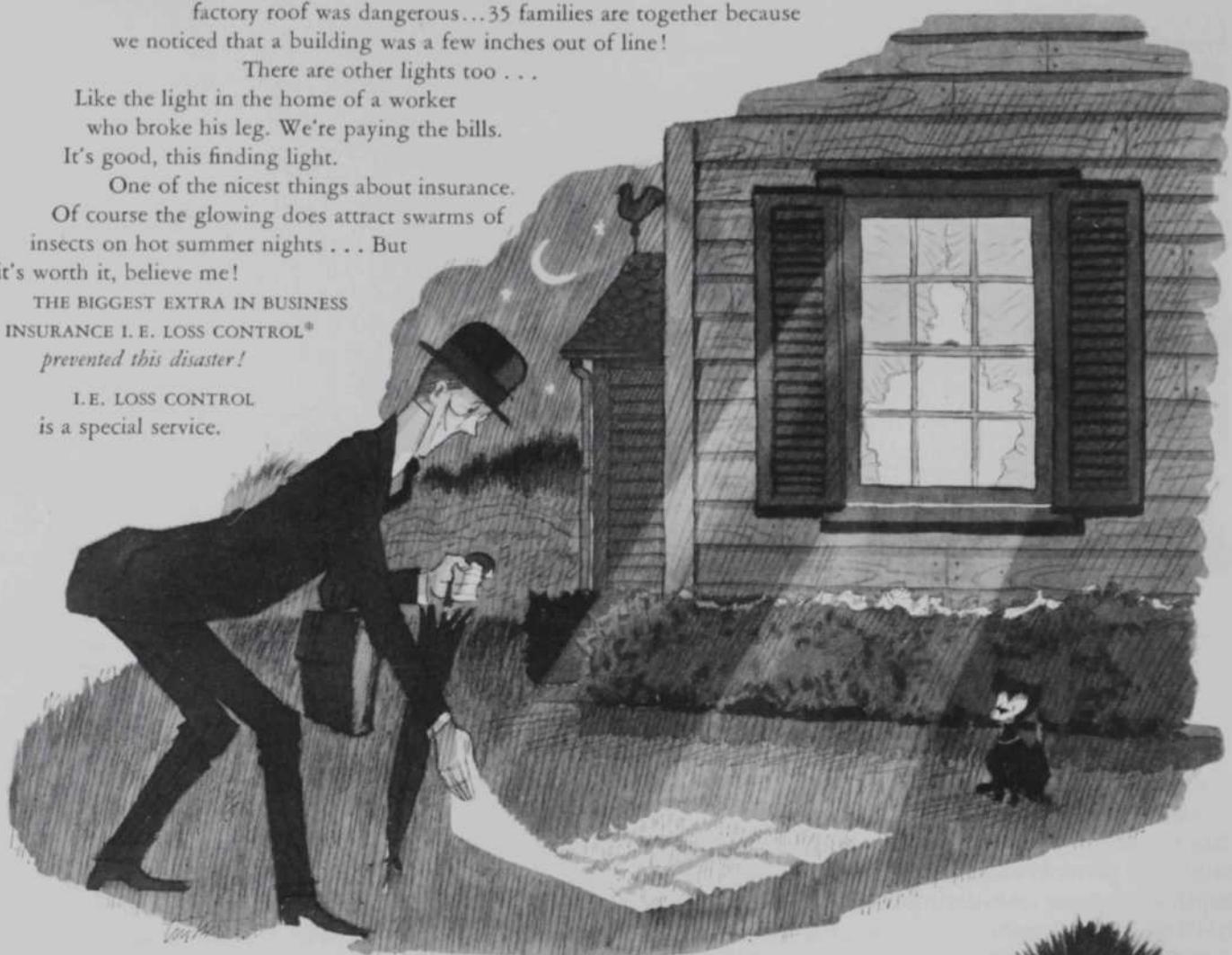
It's good, this finding light.

One of the nicest things about insurance.

Of course the glowing does attract swarms of
insects on hot summer nights . . . But
it's worth it, believe me!

THE BIGGEST EXTRA IN BUSINESS
INSURANCE I. E. LOSS CONTROL®
prevented this disaster!

I. E. LOSS CONTROL
is a special service.



*Your helping hand
when trouble comes!*



I. E. LOSS CONTROL doesn't cost you a penny extra
yet it reduces manufacturing costs . . . boosts
profits and worker morale!

Write for information today! American Mutual
Liability Insurance Co. Dept. N-2,
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The Month's Business Highlights

PESSIMISTIC talk is heard in commercial quarters but it is based on conjecture rather than on reality. It is too soon to expect unfavorable business developments. Most indicators point in the other direction. Capacity has been restored. The materials situation is improving. Labor is showing more interest in productivity. Money is available in abundance. Most prices are likely to continue to rise for another nine months, at least. Business is borrowing money in unprecedented volume, which certainly is not a sign of weakness. Consumer demand is becoming less erratic and the flow of investment is stabilizing.

As a matter of fact, no one knows yet whether to be optimistic or pessimistic about the future of business. The outlook depends on whether the world decides to prepare for war or to prepare for peace.

Employment Problem Looms

The consequences growing out of the peace conference maneuvering and discussions at Lake Success are of fundamental importance to business and industry.

If we keep our military preparations in step with those actually under way in Russia, it will mean an increase in war orders. This would offset the slackening of civilian demand likely to set in before many months. Each of the inflationary factors with which we have been wrestling then would be revived.

If we prepare for peace, maintenance of employment soon will become a major problem. Demand for labor already has become less pronounced. The number of unemployed is low but the average period of unemployment is becoming longer. Reports show that employers are becoming much more selective in those they hire. Available jobs now are largely concentrated in industries where wage rates are lower. The trend of the labor movement from the farm to industry has been reversed. Another important factor is that individual productivity increases as unemployment grows, thereby reducing the total number of workers needed.

Prosperity depends upon peace but conversely peace depends upon prosperity. If we do not have prosperity at home we will not be able to buy goods abroad. Prosperity in many countries depends upon the American market. If we can keep our industries humming we will have to buy large amounts of materials. We will have money to

TRENDS OF NATION'S BUSINESS

spend for foreign goods and on foreign travel. A hopeful, prosperous world is likely to be a law-abiding world. A depressed world is white meat for Communists and encourages lawlessness.

The disposition is to give three cheers for the President's slogan "Peace and Production." It is good alliteration. The objectives are commendable but the phrase could be criticized as resort to oversimplification or as being platitudinous. It was not accompanied by definite suggestions as to the methods of achieving the indicated objectives.

Price control is about gone but will continue to be a political football. Business has become much more worried about materials than about prices.

While some are worried by the growth of inventories, the general expectation is that prices will continue to rise but on a flattening slope. Even if there are no big strikes, the weakness of the Administration in dealing with wage demands means higher costs and higher prices.

Commodity prices demonstrated their strength when they withstood the terrific blast of a 25 per cent decline in industrial stocks. If the security market had had a sensational rise there is little question that it would have carried commodities up with it. The market fell. Commodities stayed where they were.

Buyers Show Restraint

Department store sales continue to break records. Much of that buying is coming out of current income. Savings are not declining. More savings bonds are outstanding than ever before. Redemptions are lower than they were at the beginning of the year. It is apparent that the great bulk of liquid assets are in the hands of provident people who are withholding purchases until the value of their dollars becomes greater. While price control by law is practically over, a new control is springing up in the refusal of careful buyers to pay excessive prices. Incidentally those liquid assets will be an important factor in offsetting deflationary forces when they assert themselves next year or the year after. While the gyrations of the stock market may have taken some of the fever out of the situation, it certainly did not depress retail trade or slow down the buying of capital goods.

The demand for machinery and equipment continues strong. In machine tools the backlog, however, is melting away. Any downturn in prices



She reaches high C - in writing

The soprano, at times, sings sweet.

But it takes a lot of writing before you can hear her.

For radio broadcasters build studios, buy transmitters, hire engineers, pay salaries. To chart a *written record* of business facts with speed and economy, they turn, often, to Moore Business Forms.

What's true in radio is true in business of every kind, of every size:

Moore Business Forms help slice operating costs. An insurance firm writes: "Your forms mean a saving of twenty-four man-hours per day."

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ADV. BY N. W. AYER



of manufactured goods will have to await increased productivity of the present plant and labor force. Productivity, however, is receiving active consideration in labor, management and government circles. The Bureau of the Budget and the Bureau of Labor Statistics are collaborating on a study of how to measure productivity.

What business wants more than any other one thing is stability. Business men know there can be no guarantee against inflation or against collapse, but they want to be informed as to the probabilities.

The belief is growing that there will be nothing extreme in either direction.

The way to get prices down in a hurry is to have them rise rapidly. The faster they go up, the quicker the recession.

Those who believed control over prices no longer should be exercised were joined by more and more of Mr. Truman's politically-minded followers. This latter group is not concerned primarily with the economics of the situation. They believe a recession is coming. They want it to come soon so the climb back up will start before 1948.

Most of the economists have leaned toward 1948 as the most likely turning point. They fear the stock market break has delayed the recession. Now with most price controls removed, some of Mr. Truman's followers think the collapse of the present price structure is imminent. It will be recalled that this point of view came into the consideration of price control legislation at the last session of Congress.

Traders these days are opportunistic. They do not wait long before taking profits. When selling bunches, the market weakens even when production is increasing and the outlook is improving.

The ejection of Henry A. Wallace from the Cabinet came at a time when the stock market was showing great weakness. The incident is regarded as having been a factor in checking that decline.

There is talk throughout the country that city real estate has reached the peak. There is proof on every hand that many are trying to cash in at present prices.

The maritime strikes did not cut heavily into total production. In fact, shortage of materials this autumn has held back production more than have work stoppages. Another cause was maldistribution of various essential materials and parts. Some of that cannot be avoided with items being distributed on a hand-to-mouth basis but it was accentuated by the car shortage. Furthermore, frequent short stoppages for materials result in the uneconomical use of the labor force. Workers

do not want to change jobs in the hope that employment will be more continuous elsewhere. There is no certainty that similar conditions will not prevail in other plants or other industries. Employers hardly can be expected to run their plants one week and close down the next while waiting for materials to arrive.



OF NATION'S BUSINESS

Freight car shortages, which are hampering distribution in a major way, are focusing attention on the causes which allowed that bottleneck to develop. One of the contentions advanced is that the Civilian Production Administration failed to foresee the situation and did not grant adequate priorities for new car construction.

Sooner or later there will be a wave of legislation imposing responsibilities on labor unions. It took many years of agitation before the original antitrust statutes could be put through.

The movement could start at this next session of Congress. Recurring strikes in public utilities well may touch off the movement. The results of the November elections will have a bearing.

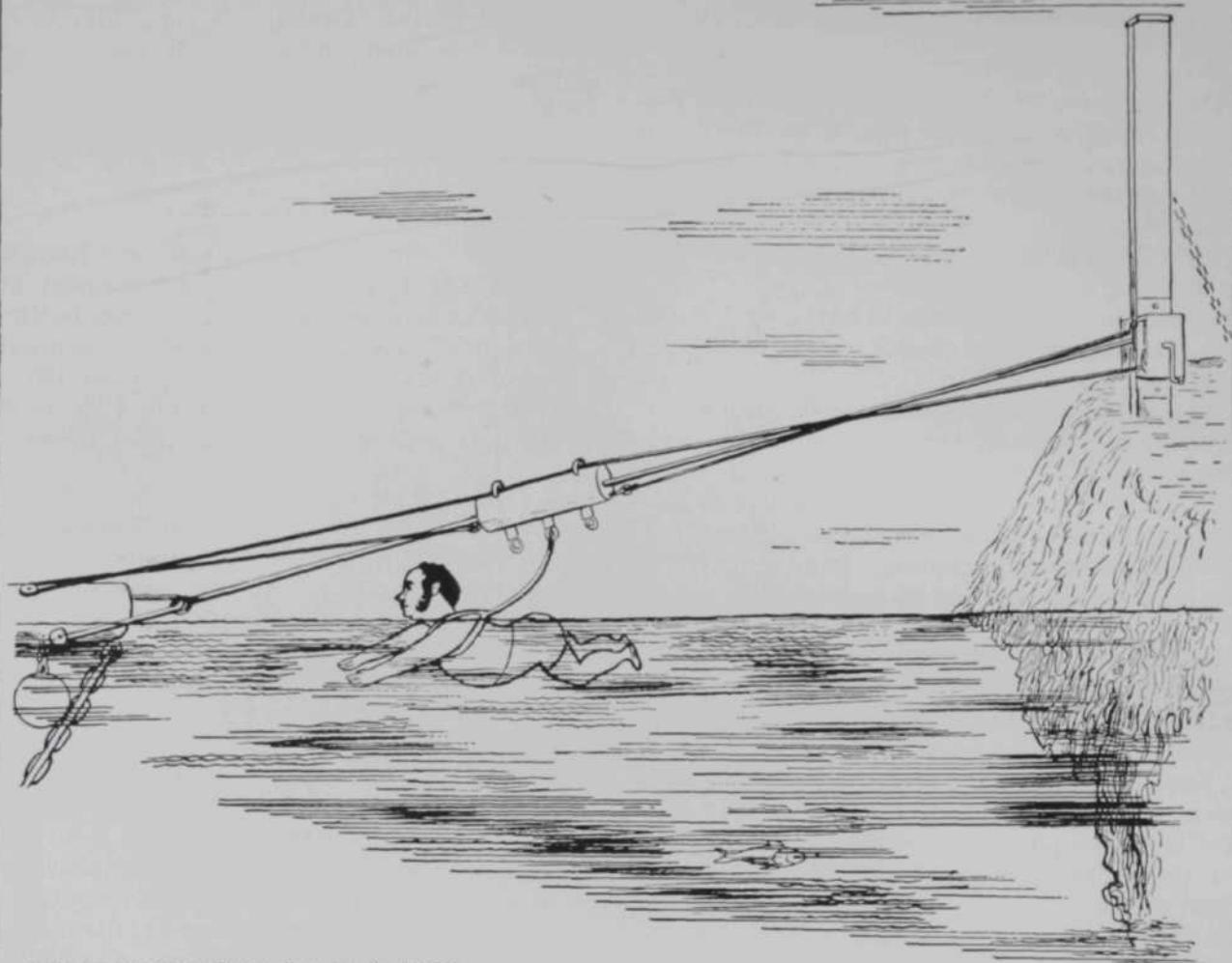
Any falling off in employment or in employment prospects will influence the conduct of labor greatly. Discipline in labor unions is almost impossible to maintain when employment is plentiful. Small minorities usually are responsible for the breaking of contracts and for other extreme acts. Such minorities will be slapped down promptly by their fellows when the supply of workers exceeds the demand.

Statisticians working with industrial production figures are watching wool with unusual interest. Weakness is developing. The British have doubled their estimates of the amount of woolens they will be able to export.

With the British turning out apparel wool at an unexpected rate, with our own production well over that of last year, and with large stocks of raw wool on hand, lower prices would seem inevitable.

Longer vacation periods provided in labor contracts were reflected in the July and August production index. With vacations over, September and October showed sharp gains. Efforts are afoot throughout industry to do a better job of staggering vacations next year. It will have the support of workers because popular vacation centers were overcrowded last summer to everybody's discomfort.

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Washington Scenes

WHAT will the Eightieth Congress do about legislation affecting labor?

This question, one of the most inconsistent of the day, would be easier to answer if there had been more intellectual honesty in the 1946 political campaign. A large number of candidates found it expedient to dodge the issue. In many congressional districts, the voter with strong feelings in the matter had no chance to make his opinion felt. He faced a situation where both candidates, Republican and Democratic, were weaseling.

Here and there, it is true, Republicans assailed the CIO Political Action Committee or they criticized the Truman Administration for failing to deal adequately with labor-management turmoil. The fact remains, however, that few candidates outside of the farm areas faced up to the real problem.

That problem is an overbalance of power in favor of labor.

Unions Say Too Many Strikes

Even the rank and file of labor unions recognize this lopsided state of affairs. This was brought out in a Gallup Poll, showing what AFL and CIO members thought of one another's organization. Each accused the other of calling "too many strikes." The AFL members said the CIO had "too much power" and abused that power. The CIO workers, by implication, said the same thing about the AFL. All of which led a *Washington Post* editorial writer to recall Robert Burns' famed lines:

O wad some power the giftie gie us
To see oursels as ither see us!

So far as Americans in general are concerned, it has long been apparent that they want Congress to act—to do something about curbing strikes and heading off situations that too often degenerate into anarchy. They certainly expect the Congress that meets in January to do something.

President Truman, it will be recalled, asked the Seventy-ninth Congress to set up a joint committee to undertake a "painstaking and dispassionate study" which would probe "fairly and deeply" into the whole labor relations problem.

He made this proposal at the time he asked for emergency legislation, including the sensational draft-labor provision. The House adopted a joint



resolution calling for a labor disputes committee made up of seven representatives and seven senators. However, the resolution got caught in a Senate log jam at the end of the session and died.

Mr. Truman undoubtedly will renew his recommendation when he appears before the new Congress to deliver his message on the state of the Union. There is every reason to believe that this time it will be adopted and that the joint committee will be appointed.

What will happen thereafter will depend, of course, on the type of senators and representatives who are chosen to make the study. If they are to be selected on the narrow basis of being pro-labor or pro-business, instead of on the basis of a deep concern for the common good, then the whole business might as well be called off. Otherwise we could expect nothing more than an angry debate; and on top of that, most likely, two distinct reports with clashing viewpoints and recommendations.

Hardly anybody in Washington who has thought about the matter believes that government alone can work out a solution of the problem.

However, only government—Congress and the Executive—can bring about changes in the Wagner Act of 1935. And it was in this Act, foundation of the national labor policy, that the scales were weighted so heavily in labor's favor.

Changes Are Needed

In this connection, the views of Gerard D. Reilly are of extraordinary interest. Reilly, a member of the Massachusetts bar and a pioneer New Dealer, came to Washington in the early days of the Roosevelt regime. He served first as solicitor of the Department of Labor under Secretary Frances Perkins. Then, for five years, he was a member of the National Labor Relations Board.

Reilly thinks the Wagner Act and the NLRB rules of procedure should be changed. He said so when he retired last August.

He said, for example, that the employers ought to have the right, along with the unions, to speak freely during union-organizing campaigns. The employer, he said, should be permitted to speak frankly about the long-term effect of unionization of his plants, just as the union should be permitted to say anything it pleases without danger of being intimidated or fined. This seemingly reasonable suggestion would have been regarded



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as heresy in the New Deal circles a decade ago. Reilly said that he thought the Wagner Act was basically sound but could be far more successful if changes were made to put down secondary boycotts and to eliminate strikes for representation and illegal objectives. Altogether, he recommended six changes, four of which would require congressional approval.

Labor leaders have attacked Reilly as being biased in favor of the employers, and may be expected to attack him again if he should testify before the proposed congressional joint committee.

Representative Harold Knutson's pledge to "balance the budget, reduce the national debt and cut personal income taxes 20 per cent," never got very far. In a country howling for meat it had too much competition.

Budget and Foreign Policy

The salient fact in the fiscal picture right now is that 40 per cent of the budget is earmarked for national security. This means that, if there is to be a really spectacular saving, one that would permit a reduction in the debt and also a reduction in taxes, it would have to be made at the expense of the Army and the Navy. Here the matter ceases to be merely budgetary, and gets into the area of foreign policy and world peace.

For the time being, the biggest factor in the maintenance of peace is Russo-American relations. The Soviet Union, as Winston Churchill said at Fulton, despises weakness and respects only strength. Any serious weakening of America's armed might at this time would, therefore, result in a weakening of Secretary of State James F. Byrnes' influence at the council table.

The average American, from all indications, appreciates this. He has no desire to see the Army and Navy cut drastically, however much he might like to see a single department of national defense and other moves in the direction of economy.

How long this attitude will last is problematical. So-called Rooseveltians of the Henry Wallace type have set out boldly to reduce the Army and the Navy below the strength recommended by Eisenhower and Nimitz. The propaganda campaign to bring this about was launched at a convention of the PAC and other "liberal" organizations in Chicago.

Henry Morgenthau, Jr., and Harold L. Ickes, both embittered former cabinet officers, condemned the annual expenditure of \$13,000,000,000 for military and naval purposes and called for disarmament. Morgenthau said that the present outlay was simply "a preparation for another war."

A good deal more of this kind of talk is in the offing, and doubtless will be heard in Congress in the months ahead.

President Truman apparently sees in it the threat of another wave of antimilitarism in the

United States. That is the only explanation for the cryptic remark he made at West Point recently. He warned the cadets that a time was coming when many Americans would have only scorn for men in uniform.

Obviously, Mr. Truman had in mind what happened after World War I. The United States then led the world toward disarmament, scrapping a good part of its Navy to set an example. It reduced the size of the Army until it was actually smaller than that of little Greece.

Even so the liberals of that time were not satisfied. They concluded that America's participation in the war against Imperial Germany was all a terrible mistake, and Gerald Nye conducted a Senate investigation to show that the whole thing was plotted by Wall Street and the "munitions barons." After Hitler got going, of course, the liberals were the noisiest of all in crying for planes, guns, and ships.

Arming to Prevent War

Somebody has pointed out that the United States has tried every way but one to avoid war. It has disarmed. It has tried to convince the world that it hates war. The only thing it hasn't done is to remain strong; and, in remaining strong, to remind a potential aggressor that, if he starts anything, he is going to lose.

American statesmen who have talked to Stalin say that the Russian leader is fascinated by military strength. He measures it in terms of "divisions." He talks about divisions as if the atomic bomb didn't exist.

This is mentioned because it explains an important statement that attracted but little attention. The statement was made not so long ago by Senator Warren R. Austin of Vermont, the American delegate to the United Nations Security Council.

"We must restore a well-trained military organization," said Austin. "Other nations are looking to see how many divisions are behind us during current negotiations.

"In all negotiations, the only power now recognized is military. You cannot change the customs of the peoples of the world in the twinkling of an eye or by a piece of paper."

No man in the world today has more faith in the United Nations than Austin. He helped draw up the blueprint for it in advance of the Dumbarton Oaks Conference. It almost amounts to a religion with him. Still, for the time being, he is convinced that America will get nowhere in making UN a going concern unless its own voice is backed up by "divisions."





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The U. S. and World Affairs

THE ordinary people of the world, Russians included, are frightened of a coming atomic war and starved for reassurance on this score. It is only natural that they should reach out hungrily for the hope offered by Stalin in his September 24 interview with the *London Times*.

Overlooking the double meanings, obscurities and veiled threats, they saw only the dictator's central assertions that no war danger exists "at present" and that he expects friendly collaboration with non-Soviet nations.

Few recalled that exactly six months earlier, on March 22, the Soviet leader had professed the same sort of faith in peace. Replying to questions by an American correspondent, he had underlined his confidence in the United Nations as a "serious instrument" for preserving peace and his belief that "neither the nations nor their armies are seeking another war."

Russian actions during that half year, unfortunately, were hardly in keeping with those professions. To the distress of prematurely optimistic editorial writers and radio analysts, Soviet tactics of obstruction and delay were intensified right down the line. Even the newspaper *PM*, which is not exactly hostile to Moscow, has conceded editorially that, in this period, "the Russians were reaching out for as much power as they could get and feeling out the limits of our tolerance."

The least that had been expected after Stalin's conciliatory remarks in March was a more cooperative attitude in the councils of the United Nations. Instead the methods and manners of the Soviet-controlled delegations went from bad to worse. They acted as if the United Nations were a serious instrument for propaganda rather than for peace. Russia itself used the veto power with a recklessness that tended to make a mockery of the whole organization.

This does not prove that Stalin's new message is necessarily as cynical as the earlier instalment. Tensions have piled up so fast that his country, which certainly cannot want a military showdown at this time, may be no less alarmed than other nations. Besides, there are important new elements in the international equation today.

Most significant, increasing evidence is available that Washington is through with appeasement. Stalin's softer words were seized upon in some political quarters to justify the Wallace-Pepper assault on the State Department's "tough-



er" approach. They can be more reasonably and usefully accepted as a first dividend on that new and tragically tardy policy of firmness.

Another element, for the most part ignored but worth serious consideration, is the fact that the life tenure of UNRRA is running out. American re-

lief through this agency has been more vital to Russia than is generally recognized. If this help is cut off early in 1947 as scheduled, in the words of Drew Middleton of the *New York Times*, "want, hardship and malnutrition will face millions of people" in stricken Soviet areas like the Ukraine and White Russia. It is none too soon for Stalin to try to create a more friendly climate in the hope of prolonging American shipments.

Some Tests of Cooperation

Even more foolish and more hazardous than ignoring the dictator's kind words, however, would be to accept them at face value as marking a real change, let alone reversal, in Soviet policy. We can only watch events in the light of the new declarations, without pre-judgment but also without wishful thinking.

The renewed pressure for Soviet military control of the Dardanelles, in a note handed to Turkey on the very day when Stalin's statement to the *London Times* was released, should stop even the most ardent optimist in his tracks. In any case, if the Kremlin is in earnest about friendly collaboration, it has unlimited scope to demonstrate the fact in deeds. There is plenty of unfinished business, from Korea to Paris, waiting for Russia to break the log jam.

The American government has been pleading with the Russians to halt the looting of Hungary and to carry out its Yalta pledges to help rehabilitate that country. A constructive Soviet attitude in Budapest will speak louder than words in Moscow. The same is true in Austria. During his recent visit home General Mark Clark gave us a terrifying close-up of Soviet obduracy and excesses in that country.

In Germany, will Russia at last permit economic unification as agreed in the Potsdam accord? In Italy, Russia could help give the fledgling democracy a chance for survival by relaxing its pound-of-flesh reparations demands and curbing its fifth column.

The field in which Soviet words can be translated into concrete acts is as wide as the whole



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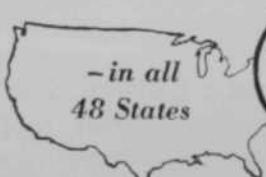
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world. For ourselves, the most telling sign of a new temper in Russian policy would be a cessation of the world-wide anti-American propaganda paced by the Moscow press and radio. For Europe, it would be a more cooperative Russian attitude toward the recently announced United Nations proposal for coordinating the economy of the continent. In its present form the plan has already been rejected by Russia.

As long as the Moscow leaders continue to veto every effort to integrate the economic life of Europe and to open its channels of trade and transport, their declarations of benign intention will sound hollow.

Planned Foreign Relations

Americans are accustomed to a makeshift diplomacy responsive to public opinion. It is not easy for them, consequently, to understand that, in Soviet Russia, foreign policy is as carefully planned for decades ahead as domestic economy. Yet an appreciation of this fact is most helpful in watching the shifts and seeming contradictions in Moscow's words and acts.

The Kremlin has a keen sense of the difference between ultimate goals and immediate objectives. Its long-range purposes, set by the revolutionary fathers, were reaffirmed by Stalin as recently as last February. They aim at the total "liquidation" of capitalism and the establishment of one big Soviet Union embracing the whole world. They derive from a deep conviction, held with almost religious fervor, that "It is inconceivable that the Soviet Republic should continue to exist for a long period side by side with imperialist nations—ultimately one or the other must conquer."

The quotation is from a book by Stalin himself which is the basic textbook for his followers at home and abroad. Short of a revolution in the mentality and psychology of the Bolshevik hierarchy, we can expect no repudiation of that belief. It is inherent in the whole Soviet view of life and history. But within its shadow there is lots of room for opportunist give and take for the sake of short-range safety or advantage.

Every Soviet pronouncement must therefore be judged by whether it is directed to the immediate situation or to fundamental purposes.

As a guide to Soviet behavior, the most useful fact about its planned foreign affairs is that they are conducted in the spirit and in the terminology of a military campaign. A sharp distinction is made between strategy and tactics. The Kremlin rulers consider a temporary retreat, a soothing concession or even a hairpin turn in their policy line quite admissible as a tactical maneuver to promote the over-all strategy. If the rest of the world—as usually happens—rushes to the rash conclusion that Moscow has at last renounced its well-advertised ultimate aims, the Soviet leaders

welcome the further proof of the credulity of the democratic mind.

Thus there was the period, beginning with 1933, when Russia joined the League of Nations, soft-pedaled its subversive propaganda and talked collective security. Optimists were quite sure that the Soviet regime had changed its spots. But the spots reappeared, more crimson than ever, with the Moscow-Berlin Pact in August, 1933.

Then there was the war period, after Russia had been forced into the democratic alignment by the German invasion. Again Moscow seemed to jettison world revolution. It signed democratic documents like the Atlantic Charter, accepted the principles of world order under law, and seemed resigned to a live-and-let-live policy. Faith in the permanence of the reformation was at the bottom of President Roosevelt's "great design" for drawing the Soviet Union into the family of democratic nations.

Disillusionment came as soon as ultimate victory over the Germans was assured and Russia's emergency had passed. Kremlin policy snapped right back to its planned long-range nature.

Moscow's Consistent Record

The continuity of Soviet foreign policy during 29 years of ups and downs is something to ponder over. The unsuccessful attempt to chew up Finland in the first years of the Bolshevik revolution is renewed in 1939. The conquest of Poland undertaken by Lenin and Trotsky in 1919-20, defeated on the field of battle, is resumed in 1939 and continued by the methods of power politics from 1943 to date.

The Sovietization of Asia, from China to the Near East, bulked large in the early years of the Communist International. Though never abandoned, it was muted for a long time. Today it is again in a vehemently active stage. The expansionist aims which Moscow sought to attain through partnership with Hitler's Germany in 1939-40 are being pursued without deviation, item for item, in the post-Hitler period.

This record of tenacity could be extended for pages. It attests to a remarkable consistency under the frequent and sometimes startling changes of "party line" on the surface. And it can be effectively countered by other nations only with policies as long-ranged, systematic and consistent.

To be swayed by every new Soviet gesture, to be diverted by sudden flurries of optimism or gusts of despair, is not statesmanship but nerves.

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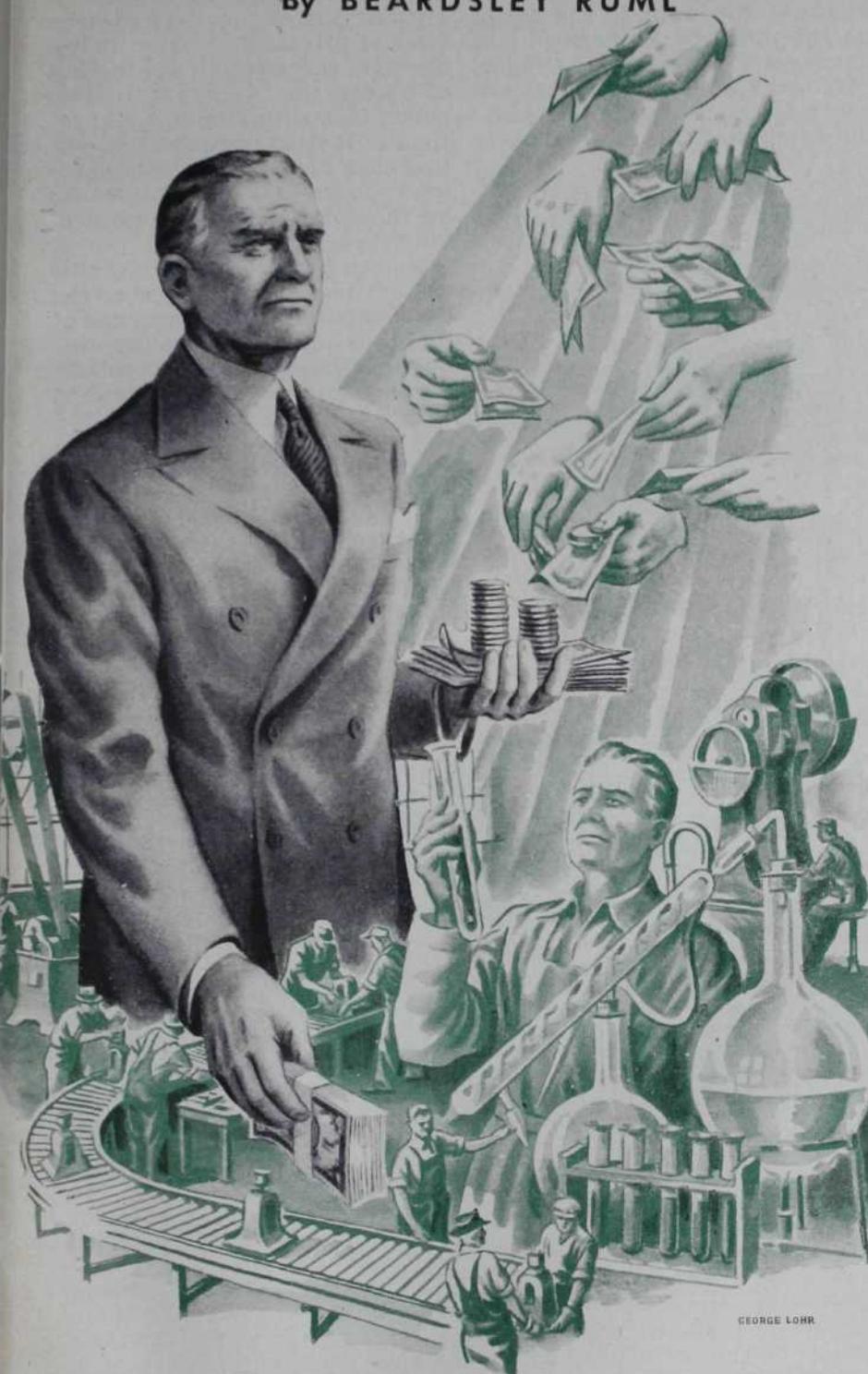
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Need We Tax Away Prosperity?

By BEARDSLEY RUMBLE



GEORGE LORRE

PROFITS are a test of whether a product or service is wanted. Also, profits are an incentive for the discovery of new machines and processes for the elimination of waste motion and effort

WE ARE all familiar with the technical progress which has come out of the war. First of all, of course, atomic energy, and after that radar, rocket and jet propulsion, insecticides, the use of blood plasma—all illustrate the new applications and discoveries to which we must adjust our thinking. We cannot wish these things away nor abolish them by closing our eyes or turning our backs.

The world in which they did not exist no longer exists. Management and statesmanship that do not take the new technology into account are living in a dream world and talking in the past tense.

Discoveries and insights coming out of World War II are by no means limited to physics, chemistry, biology and surgery. There have also been important advances in the fields of economics and public finance. Their full import is not yet understood, but we do know that some things that many competent people thought were true are either false or true in a different way than was believed.

Let me give a few examples:

In 1937 an eminent economist advised the Treasury that, unless the budget was soon balanced, the interest rate would go to six per cent, to eight per cent, the way it had in France. Yet during the war the national debt rose from \$45,000,000,000 to \$275,000,000,000 on a declining rate of interest.

In 1940 an opinion, which I suspect was generally shared, was expressed in a metropolitan newspaper of high reputation, that it was unfortunate that we were entering a period of defense preparations with the handicap of a debt that had already nearly reached \$45,000,000,000. Yet the debt increased sixfold and was at no time a significant limitation to our productivity.

During the 1930's most people believed that a deficit in the federal budget was inflationary. Today we can see that a nation having millions of unemployed who want to work and millions of dollars invested in idle plants and

equipment is much like a factory or company that has a sizable amount of unused capacity. Under such circumstances, an increase in demand tends to reduce unit costs and, therefore, under competition, tends to reduce prices rather than to increase them.

For the same reasons, federal deficits prudently incurred in times of mass unemployment, since they also tend to reduce unit costs, tend to be deflationary rather than in-

noticed beneath the surface of actual output for a period of 15 years. It is this level of productivity against which we must now judge our standard of living and high level employment.

These discoveries, insights or whatever you want to call them, in the field of economics and finance are just as real as radar, DDT and atomic energy. They are not matters of theory or wishful thinking. They are matters

imply that the activity of profit-making is slightly piratical, to say the least.

Actually, the most important energizer of private enterprise is profit, the experience of profit and the prospect of profit.

Profit is more than a mere energizer of private enterprise. It is a directive energizer. It sets the test of success in the application of effort. It is both stimulus and response. It is so important in getting business properly done that it is sometimes mistakenly taken to be the sole end and purpose of business activity.

We can properly deny to profits the exalted position of being the end and purpose of business and at the same time recognize the crucial importance of profits in releasing and guiding the power residing in private enterprise.

Profits are a governor

PROFIT is the excess of selling price over costs of every kind. If a thing cannot be sold, there can be no profit. Nor will there be a profit unless the selling price is greater than the total cost of getting the article into the purchaser's hands.

This familiar relationship between selling price and costs, which results in profit, causes profit to serve two exceedingly important purposes.

In the first place, profits are a test of whether the thing that is made is wanted, and whether enough people want it at the price at which it is offered more than they want something else at some other price.

(When I talk about the making of things, I am talking about both goods and services, and I think we must all agree that a great expansion of services is indispensable for high employment.) If people do not want these things at the price at which they are offered, there will be insufficient sales and insufficient profits—or none at all.

The necessity of making things which must sell directs the energies of private enterprise into the channels of making things at a price which people want more than they want something else. It stops business from trying to do things that get no public response and that meet no public need. And since most things compete with other things as objects of human desire, and since they compete both in desirability and in price, the managers of business are

(Continued on page 66)



Keep production and demand up, and America—big in all things—will remain strong and will be the hope of a peaceful, prosperous world

flationary, so far as the purchasing power of the dollar is concerned.

In 1941 we were told that we would have to choose between guns and butter, and that to arm for war in two hemispheres we would have to cut our standard of living sharply.

In 1944 the general over-all standard of living was at least as high as in 1941 and, in addition, we produced some \$80,000,000,000 worth of armament. The miracle of production came out of productivity that had been growing un-

of experience and observation. As we change our point of view in regard to them, it is also time for a new and different, though not an inconsistent, point of view toward profits and profit-makers.

Enterprise requires profits

FOR some time and for many reasons it has become indelicate to refer to profits in public, except perhaps to deplore the fact that they seem to be necessary for the propagation of business enterprise or to



AN INDUSTRIALIST who has come up from the ranks suggests a way to remove fear which is the real cause of most of today's labor problems

Make Way for Tomorrow

By O. A. SEYFERTH

THREE is fear in the heart of America.

As I look back to my boyhood, it seems to me that America, at least during my time, has always been afraid. Most men I have known, whether they were workers in a shop or heads of businesses, feared insecurity. Not the insecurity that arises from the normal hazards of life, but the insecurity inherent in the social system we have inherited and continue to maintain.

When a man has fear in his heart, he hates what he fears. Be-

ing human, he is prone to personify the object of his hatred. In other words, he does not hate the social system under which he operates so much as he hates the company or the boss.

Hate and fear are negatives. Men create mental images—goblins and monsters—with a negative philosophy. These sinister fantasies grow strong and powerful through hate and fear. They become the levers through which unscrupulous demagogues motivate their fellows to antisocial acts.

To produce the intangibles that give life meaning—happiness, good will, generosity, mutual liking and confidence—one must find a positive approach.

I am convinced that the basis of a positive philosophy in America can be laid only by providing security for the average man.

What kind of security?

Security from the fluctuations of the economic cycle that rob him of the products of his labor and leave him destitute and helpless in his old age, or when sickness or disability overtakes him, or when



PAUL HOFFMASTER

I compared the worker's lot with that of a wild animal. "What bear," I asked them, "doesn't protect its young until the young is able to fend for itself?"

panic or depression leaves him jobless.

This means more than workmen's compensation acts.

It means more than social security and old-age pension legislation.

It means more than unemployment compensation laws.

All of these have a perceptible taint of charity, regardless of how we dress them.

Self-reliance is needed

A CITIZENRY becomes debauched and corrupted when it relies on the public coffers for relief.

These convictions come from personal experience. They are all the stronger because I know that my own experience is typical, something millions of other men have had. I go back to my early 20's.

All that I knew in those days about the economic cycle was what I saw and felt as a young married man, taking on a new and welcome responsibility in the home town. The system appeared to be working well. There were jobs for everyone who was willing to work and knew how to work.

As I saw it, a young man owed it to himself and to his family to get some roots down into the soil of his

community. The measure of any young man is his readiness to assume the normal obligations to family and society. Home ownership appealed to me as one of these obligations. Hence my wife and I, imbued with this thinking, saved our money until we had accumulated enough to buy a home on land contract. It was the first time I had possessed any property except the clothes I wore. I began to have a pleasant sense of belonging. I felt I was on my way toward becoming a solid citizen. I improved the lawn and put in shrubbery, and I painted that house myself evenings after work.

One day the economic machine broke down. I found myself out of a job. The situation was incredible to me. What had I done to merit this? We had two children by that time who looked to me in confidence as their father to provide for them. What had they, in their innocence, done to merit this?

It was in this manner that I made the terrible and disillusioning discovery that there was a factor in life with which I had been completely unfamiliar, known as the economic cycle; that this dread factor could deprive a man without warning of his opportunity to make a living regardless of his abilities or willingness to work, and that he, as an individual, was helpless to guard himself and his family against its dread functioning.

I could not make my monthly payments on the land contract, my

interest accumulated, my taxes piled up. I was on the point of losing the home into which we had put so much effort and affection, when, providentially, the wheel turned again and I got back into employment.

But something had gone out of me during those harrowing days. I had lost some of my pride of ownership and some of my interest in that home. I was dispirited. My constant thought was: "This may happen again. We may lose everything we save and put into the house." Fortunately, the instinct of saving was strong enough in both my wife and me to keep up the effort, and we finally removed the obligations from that home.

But much of the early zest and joy in becoming a solid citizen had passed out of my life.

Protection by union

I FELT the fear which stems from insecurity. I began to hate. I decided to join a labor organization. I joined it because I felt I must do something to protect my interests. Once a member, I became active and finally was named president of the union, and later president of the Trades and Labor Council. In these positions I learned to measure the fear in the hearts of every worker with whom I associated.

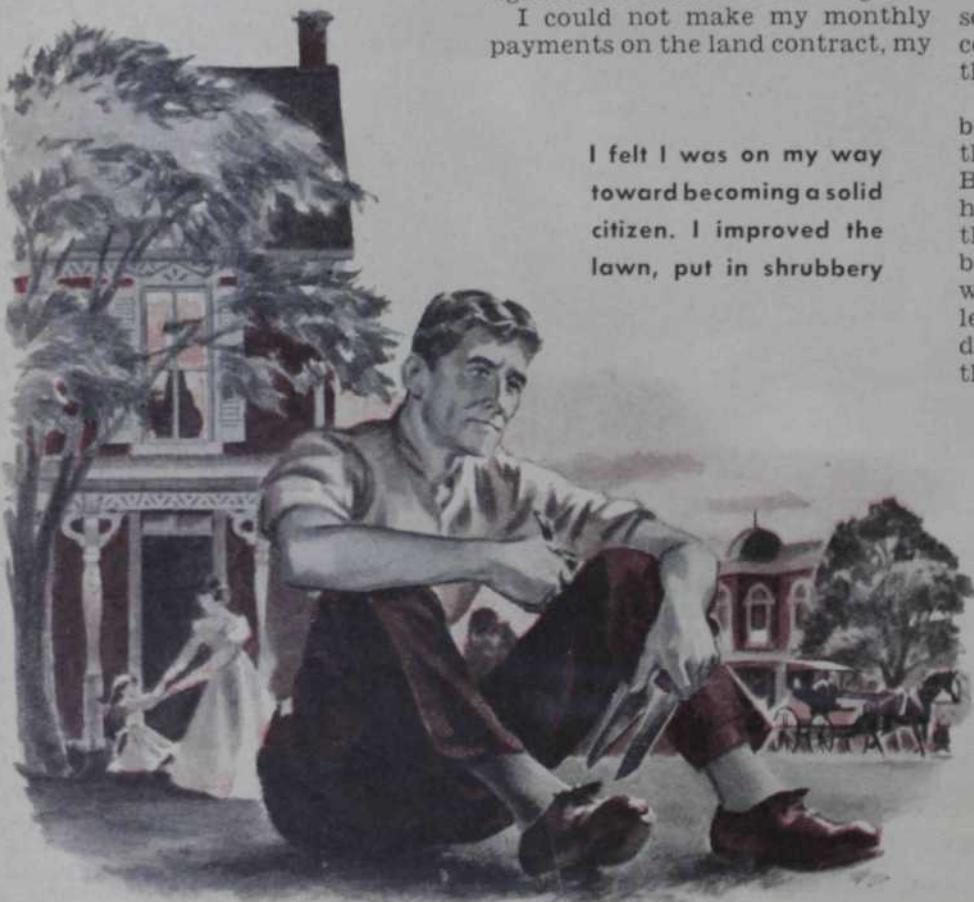
In talking with other workers I sometimes played on that fear. I compared the worker's lot with that of a wild animal:

"Take a bear, for example—what bear doesn't protect its young until the young is able to fend for itself? But does the worker? No, he sends his children out to work before they are 15 years old. Does your boss do that? Does his son go to work at 13 or 14? No, he gets a college education, which your children can't. We don't have the things that mean protection and an assured income."

Men who have such arguments pounded into them day after day will either try to improve the system by instituting controls so as to reduce their personal hazards or—if sufficiently disillusioned and desperate—throw it out and try something else.

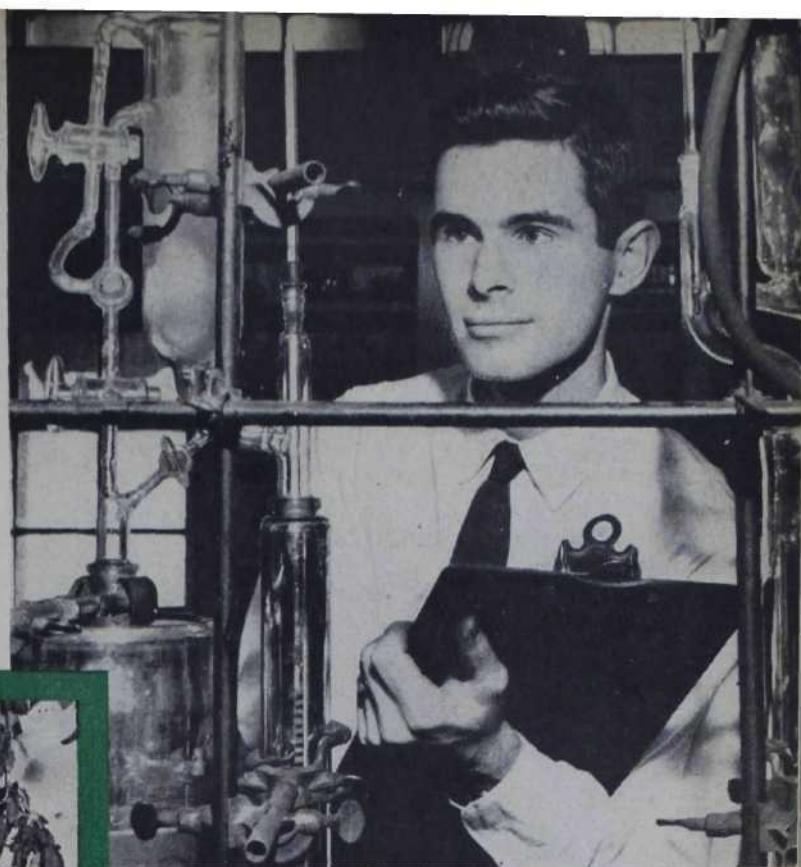
By all odds our best chance is to try to improve the system we now have. Again let us look at the past and project the future:

Forty years ago the ten
(Continued on page 86)



Where Will Rubber Bounce Next?

By RAYY MITTEN



B. F. GOODRICH CO.



These tomato plants were inoculated with blight. *Phygon*, a new fungicide, saved one

A PHYSICIAN in an eastern hospital applied a stethoscope to a patient's chest. It was a routine move, done scores of times a day. He listened briefly, abruptly bent lower and listened more closely. Then he looked up in surprise, glanced back again at his patient and then at the instrument in his hand, unable to believe his ears.

Then he listened again. He got the same audible response. His stethoscope had picked up clearer sounds than he had ever heard before coming from the instrument. Unwilling to accept the result of this single test, he continued his rounds of his patients, applying the stethoscope to each, and each time getting back the same clear sounds. He was convinced now that he had struck upon a new and better instrument—a discovery that might well have far-reaching results in the field of medicine.

NATION'S BUSINESS for November, 1946

SCIENCE is having a big time in the old tire industry, and what the scientists may come up with next is anyone's guess. But the people who pay the bills expect surprises

He was using a stethoscope, the regular rubber tubes of which had been replaced with a newly designed plastic tubing; a product of the war. The new tubing had been sent to him by a friend who is an executive of a small rubber company.

During the war the Army called for a suitable substance to coat fabrics used in making uniforms for tropical wear. Industry went to work and this little company came up with the answer—a plastic material which also lent itself to tubular construction.

Aside from its potential medical importance, this incident illustrates the rubber industry's transition, its strong accent on research, the bounties of its laboratories and the fact that the latter are shared by the small as well as the large companies.

Once limited to the simple compounding of rubber and sulphur, rubber manufacturing today has become a lusty new chemicals industry. It has broadened its scope far beyond tire making, although tires still account for 70 per cent of the revenue.

The industry that began by building tires for your car now supplies many other materials. It turns out floors, walls, home furnishings from mattresses to fireproof dish towels, shoes, clothing, lightweight



GOODYEAR

Pliofilm, a new food wrapper, brings an Alaskan king salmon to the White House

non-leather luggage, and agricultural pest control chemicals that help grow the food you eat.

The list runs on and on. The industry produces 50,000 different rubber articles alone, and no one is certain how many others in the field of plastics and elsewhere, but the list runs well into the thousands. Tires and tubes comprise only one of eight major divisions of its trade organization, the Rubber Manufacturers Association. There are others for footwear, heels and soles, coated fabrics, mechanical goods, hard rubber, sundries and flooring.

Foods retain freshness

SOME of its new laboratory wonders already are well known. The Goodyear Tire & Rubber Company developed Pliofilm as a fabricating item as well as for the packaging of foods and other perishables.

E. J. Thomas, Goodyear's president, recently sponsored a party in Detroit featuring foods in Pliofilm, which still has his newspapermen guests talking. Foods were brought in from throughout the United States and from Alaska, Mexico, Cuba and Hawaii in a transparent, moisture and odor-proof film; their native freshness sealed with the film, introducing a method which may revolutionize shipping procedures.

Pliofilm also is spun into thread that is woven into fabrics for shoes, upholstery, clothing and other articles.

From both natural and synthetic latex, Goodyear has whipped up Airfoam that goes into mattresses, seat cushions and similar items. Still another item is Neolite, a shoe material considered superior to leather in wearing qualities and foot comfort. And still another is Goodyear's Pliolite, which offers many interesting possibilities to paint manufacturers in the preparation of both industrial and architectural finishes.

From the Firestone Tire & Rubber Company laboratories has come Contro, a tough elastic yarn that can be covered with any practical fabric and appears on display counters across the country in brassieres, girdles, garters, bathing suits and other types of apparel.

Firestone also has produced a group of plastic filaments known as Velon fibers, which can be fabricated into upholstery fabric, mats, drapes, screening and other home furnishings. Firestone, too, has a transparent film known as Velofilm and



A sample of Firestone's Velon filament is inserted into an oven to be tested for moisture absorption

a moldable foam rubber upholstery base known as Foamex.

Looking at another of the big firms, B. F. Goodrich Company, we find Koroseal, a plastic, unsupported material that was in production before the war, went to war, and now has returned bigger than ever. You find it, among other places, in shoe soles. John L. Collyer, Goodrich president, and a walking enthusiast, tried for nearly five years to wear the Koroseal soles off his favorite walking shoes. The plastic material also is found in luggage and upholstery that looks like leather but is lighter. It also goes into washable wallpaper, golf bags, curtains and transparent tubing of various uses.

Among Goodrich's more recent laboratory babies is Geon, a plastic usable in any form from liquid to

solid. It already has found many uses and, incidentally, is said to be vying with Koroseal as shoe sole material.

The United States Rubber Company heralded its entry into the field of chemistry with a group of liquid plastics known as Vibrins. Though you may not identify them, you see these versatile plastics often, combined with fabrics to make leather substitutes, with wood veneer as decorative wall panels, and with paper as packaging materials.

Many new products

CHANCES are that your postwar refrigerator or stove is finished in U. S. Rubber's new non-chipping, non-yellowing plastic enamel, your new garden furniture covered by weatherproof fabric, Naugahyde, your ironing board covered with Asbeston, a fireproof asbestos cloth.

Those are just a smattering of the test tube babies which the 330 companies in the rubber industry have fathered.

First of the children was the tire, which is much more of a chemical than a rubber product, particularly today. As the automobile industry turned out cars that would go faster and last longer, the rubber industry had to keep pace with a tougher tire—and did.

"A tire that would run 3,500 miles was the goal of the rubber industry several decades ago," John W. Thomas, retired chairman

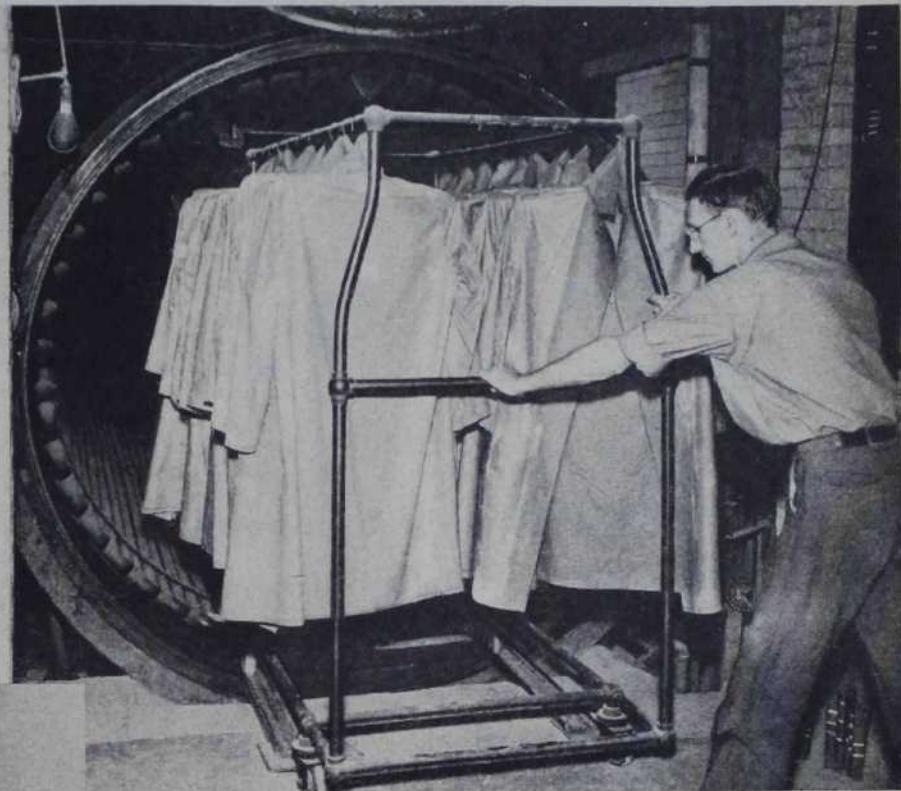
U. S. Rubber's Naugahyde lends itself to fast cleaning

of Firestone, said recently. "Now it's not unusual for passenger car tires to run ten times that far and it is no trade secret that we ultimately expect to produce a tire that will run 100,000 miles."

Back of this improvement is the chemist. Rubber and sulphur alone do not make much of a tire and, when the industry began improving the tire, it stepped into chemistry. To rubber and sulphur it began adding carbon black, accelerators, anti-oxidants, plasticizers and other such materials best known to the chemical fraternity.

Tire improvement had led the rubber industry well into the chemical field when the attack on Pearl Harbor cut off 90 per cent of the world's natu-

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MONSANTO CHEMICAL CO.

Coats with a plastic coating are hung in an oven where the material is heated to resist sticking and cracking



U. S. RUBBER CO.



Another result of chemical research is Asbeston, a new asbestos material widely used as a protective covering



How to

Stepping off without first obtaining sound advice is a sure way to lose your shirt

THERE are plenty of opportunities in this country, but pitfalls also remain for the man seeking an easy dollar

DAILY more than 1,000 Americans are embarking on new business ventures.

As a breed Americans are individualists, both rugged and otherwise. The urge to have a business one can call his own is a strong one. But to be truthful, under present tax burdens, financial independence via any route other than capital gains is fairly remote.

It goes without weeping that of every 1,000 men who launch new businesses today, a large portion will be forced to cry quits. Many will take the ten count in the first year, some will linger a year or two, and others will prove their fitness by surviving.

One of the quickest and surest ways to go broke in business is to start with insufficient capital. One large wholesale house estimated that more than 1,000,000 ex-GI's planned to open dry goods stores. It found that few would have as much as \$10,000 in capital to invest. On the basis of its own experience, the wholesale company calculated

that a minimum of \$15,000 would be required.

Actually, far fewer veterans have opened dry goods stores than their expressed intentions indicated. This means that fewer ex-service men will get their experience the hard way, namely, by the trial and failure method.

How much capital does a new business require? That depends on its occupancy cost, or rent, and the outlay that must be made for fixtures, equipment, supplies and stock. It also depends on the nature of the goods or service it will sell.

Big businesses always allow for an operating loss in the first year or two, and capitalize accordingly. Smaller business is always more optimistic, chiefly because of lack of experience, and it habitually counts on first year profits. As a consequence, if initial reverses are encountered, it lacks the capital resources to ride out the toughest stretch for any business.

In these times, some may demur, demand is so great any business



A Chicago department store branch outlet flopped when expenses exceeded net sales

should be able to avoid red ink in its first year. Perhaps it should, but of what avail is demand if you lack the supply to accommodate it?

This year in one large eastern state retail liquor licenses were made available to returned veterans.

Without making discreet inquiries into their chances, scores of veterans obtained licenses, paid excessive rentals for stores, and

Go Broke in Business

By JACK B. WALLACH

then went about trying to stock them. They found that the liquor drought left them high and dry.

Liquor wholesalers, unable to meet the needs of established accounts, distributed the most wanted potables on an allotment basis.

Many wholesalers were not in a position to accept new accounts. When they stretched a point, in consideration of the veterans' special claims, they could only ship small quantities of wet goods.

Obviously, a liquor store that can't get the goods its customers demand is destined to do an inadequate volume of business. When its capital is none too ample, and its rent far too high for its turnover, its days are limited.

This instance is not exceptional. New enterprisers who opened other types of stores encountered similar conditions.

Newcomers, often with dubious claims to credit, were by-passed for established accounts. Banks

were hardly less cautious in extending credit.

This launching an enterprise without any real hope of obtaining sufficient merchandise to keep the cash register ringing is another good way to go broke in business.

Turnover is vital

RETAIL profits are produced by turnover. If turnover is too slow, rent eventually won't be paid, payrolls will become sources of financial embarrassment, and working capital will peter out.

On the West Coast this year, several former Army Air Force flyers obtained planes from WAA and attempted to operate passenger and freight flying services. They soon learned it was easier to get the

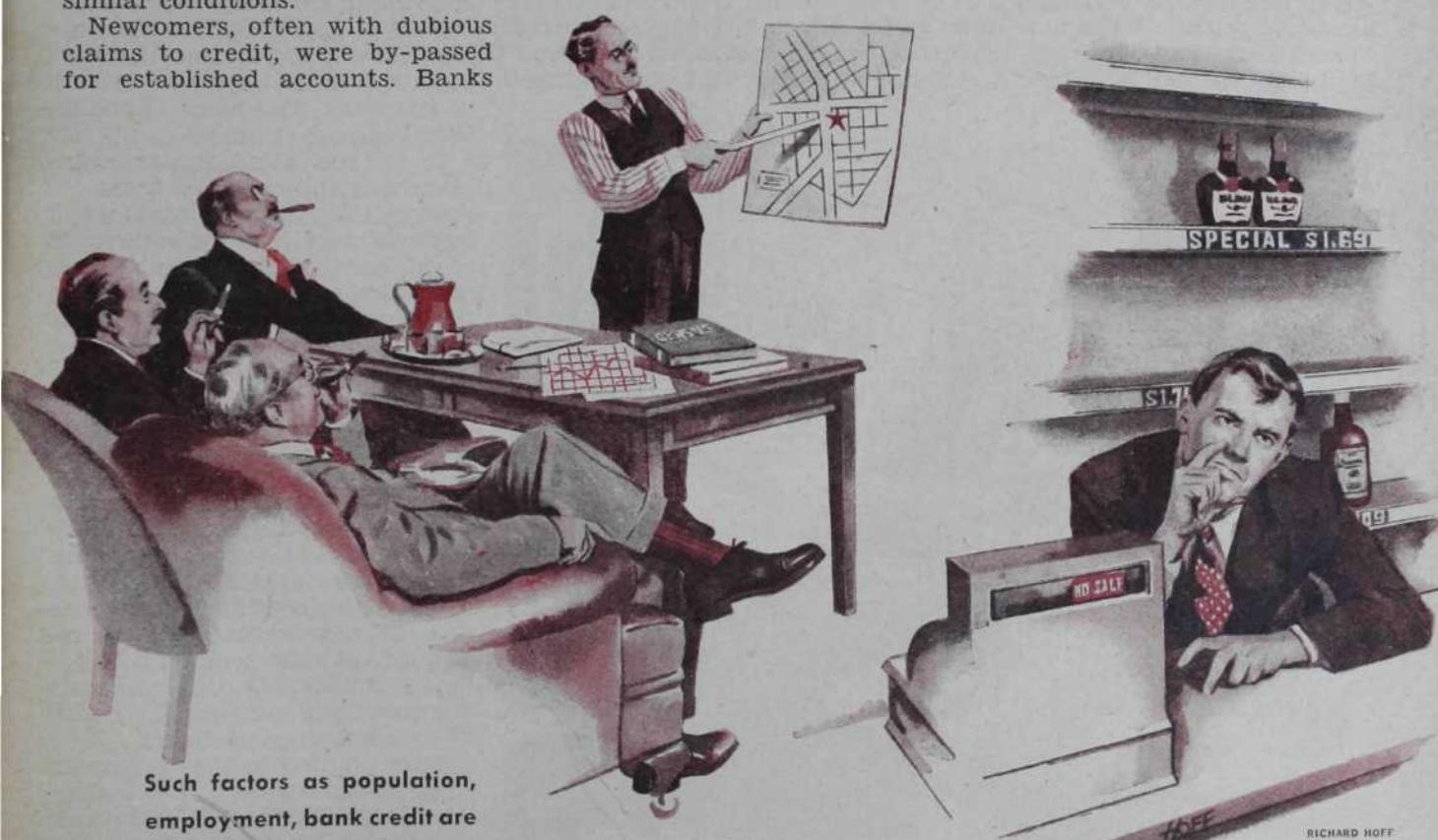
planes than it was to find fields to land upon; hangars in which to store and service their ships; parts and equipment to assure proper maintenance, and ground crews to "keep 'em flying."

These abortive flying services hardly had revved up before they were grounded permanently by a lack of all that is necessary to maintain a flying service.

War surplus property has been a deception to other than military pilots. Another field that beckoned to ex-servicemen was trucking.

During the war, trucks broke down and could not be replaced. Trucking facilities became inadequate to move goods and produce from field or factory to market.

Thousands of ex-GI's believed they saw a golden opportunity to



Such factors as population, employment, bank credit are surveyed by astute planners

Some veterans tried the liquor field, only to find supplies difficult to get

RICHARD HOFF

fill the gap by buying surplus trucks from WAA. No sooner had they bought the trucks than their troubles began.

Many trucks were much the worse for wear and tear. New parts were difficult to obtain and profitable operation became out of the question. Many of the ex-GI's had invested their entire savings and cashed in their war bonds to buy the trucks.

Even if the trucks had been in perfect mechanical condition, many were unsuited for commercial operations. These wartime machines burned up gas and oil at a prodigious rate and their load capacities were woefully inadequate for trucking peacetime shipments.

As in the case of the military planes, WAA's trucks brought disillusionment and failure to ex-GI's who had aspired to become fleet operators. In all fairness the blame lies in large measure with the purchasers whose enthusiasm ran away with their judgment.

Thousands of businesses are changing hands today at ridiculously inflated values. Last year, 346,000 businesses passed into new hands. Many of the purchases were made on the basis of increased volume and earnings.

What happened recently in the stock market may prove to be a forerunner of what will happen in business values. Within a few weeks, stocks gave up more than \$20 billion in market values.

If a newly acquired business should depreciate accordingly in 1947, capital losses of the new enterprisers will be proportionate, with a difference. A listed stock always may be sold, but a buyer must be found for a business.

While the buyer is being sought, inventory write-offs often gain momentum until finally there is little left to sell but dubious good will, a lease at a prohibitive rental, and distressed fixtures and goods.

A boom in resorts

DURING the past summer, speculators thought they saw a "good thing" in summer resorts. They heard about the steep rates, the capacity bookings, and decided to plunge.

There's no easier way to go broke than to buy a resort hotel at two to three times its worth, assume the burden of a backbreaking payroll, stock its larders at premium prices, and then try to fix rates accordingly.

You will recall what happened toward midseason. People began to balk at the rates. Reservations were cancelled. Resorts that had announced they were booked to capacity for the season began to advertise "lower rates after August 15."

This summer resort vacationers' strike affected whole sections of the vacation areas. By the beginning of August, state and sectional

authorities and trade bodies were running advertisements to convince people that accommodations were available.

It was too late. The damage had been done, and the losses were beyond reparation. Promptly, numerous resort properties were placed on the market, and no reasonable offers were rejected.

This example of the results of deflation will be wasted if it goes unheeded. What has happened already to resort properties may be in store for a variety of other ventures.

As production increases, supply will be in better balance with demand. Sales will be less spontaneous, and price recessions may ensue. Operating costs probably will be the last to decline, but profit margins may become dangerously narrow.

More new businesses

AT PRESENT, there is a plenitude of opportunity. At the beginning of 1946 there were 100,000 fewer businesses in operation than in 1941, the last peak year for number of enterprises in the United States. New businesses in 1945 were twice as numerous as discontinuances, a fact you may interpret as further proof of opportunity.

However, crowding in some fields already is apparent, and the more crowded a field becomes, the more certain it is that forced exits will be hastened. The home appliance field is a case in point.

One of the country's largest appliance manufacturers began to suspect that reported backlog of business were heavily watered. It could hardly believe that towns that formerly were served by a few appliance dealers suddenly could support several more.

Among the towns it investigated was one in which five appliance stores were "open for business," and a sixth in process of construction. The population of the town was a little less than 1,500 persons. It had been the manufacturer's experience that such a town might support two outlets.

When the appliance store proprietors were contacted, and reminded that the community's potential business hardly seemed to warrant their number, their confidence remained unshaken.

They pointed to the "orders on their books" which, they calculated, would suffice to keep them in business for at least five years. After calling on the dealers individually, the manufacturer's rep-

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Speculators thought they saw a "good thing" in summer resorts until vacationers, disgusted by the high rates, went elsewhere



CHARLES DUNN

When Figures Join a Cause

By JUNIUS B. WOOD

THE Bureau of the Census is getting a \$300,000 adding machine. It does not go by any such old-fashioned name but that is the function of its electric eyes, lit by 18,000 tubes. It even has a "memory," something which statisticians who soar into the stratosphere of forecasting often find embarrassing.

When the Army, which developed the mechanical marvel, returned to a more mundane sphere of figures, the machine was taken over by the Bureau which is our government's greatest compiler of statistics. In one 40 hour week, it will do as much work as the next best high-speed machine can do in six months. No other country is so devoted to the cult of statistics. No other country has developed statistics to such high perfection.

The Government turns out statistics in greater abundance and profusion than all the private agencies combined. Also, it takes first place in using its own statistics to confuse the public. So prevalent has this become in recent years as regulative agencies have striven to put across their own

IF THE public is losing confidence in the Government's statistics, it is because certain bureaus with an ax to grind are using them for their own purposes

fallacies, fancies or political purposes that government statistics are losing their once unquestioned reputation for infallibility.

"Slanting or rigging the figures" is the trade name for the practice.

A group of statistics may have a thousand angles. Though only one conclusion will be correct, different ideologies can draw a thousand different ones. Figures will do tricks for a clever manipulator.

Certain factors ignored

THE Government's basic statistics may be correct—and usually are—but those who use them for their own purpose can ignore certain factors, emphasize others by giving them undue weight, or blanket a particular situation with a generality. Results are surprising.

"Statisticians figure that every

fourth child born in the world is Chinese," a New Yorker informed his friend.

"My poor wife!" the other exclaimed. "We're expecting our fourth baby." Government statisticians frequently reach conclusions equally devious and weird.

Statistics have been produced to prove the broad conclusion that a workman can produce more in eight hours than in ten. The Public Health Service accomplished this by comparing two factories which were radically different and applying the finding to all employment. A comparison by Lever Bros. of a six, eight and ten hour day in its own plants indicated that work fag depended on the occupation and was not a generalization.

By comparing families of high and low income extremes, socialized medicine is shown as a neces-



The figures may be correct to begin with, but when certain factors are given undue weight, the results are surprising

sity. Families of moderate incomes, the bulk of the population with satisfactory health standards, are not included in the statistics.

Congress published a document, prepared by a statistician inclined to nationalize business, based on figures from only 12 out of 100 lines of industry.

Accurate statistics can be shaded and hand-picked to get a desired result. The evil is hidden when the result is credited to a statistician and labeled statistics instead of political propaganda. During the war, I received a document from a government department showing overseas investments which had been lost by one of our Allies. The foreign country was asking the United States for financial assistance at the time.

When the items were taken up with the authority who had prepared the statistics, he agreed that financial authorities of the country had already written off certain of the investments as worthless several years before the war. They were not assets when the war started and consequently not a war loss.

"But, you realize, statistics must

support the argument, that is policy," the government employee explained.

A release from one policy-making department, which naturally insists on preparing its own statistics, once showed a startling, unseasonable decrease in our exports to South America, during lend-lease of all times. It came in an amazing drop in the trade figures for Brazil. The explanation was that an adding machine operator had punched the wrong number, say 6,000 instead of 60,000,000, and the totals for a continent were wrong—merely careless statistics.

Figures are hand-picked

WHEN OPA was producing government statistics to bolster its arguments to restore price ceilings, particular emphasis was put on a possible shortage in meat. No figures, however, were shown from the tabulation which the Bureau of Census is compiling of the livestock in the country. It shows that in Iowa cattle have increased from 4,300,000 to 5,500,000; more than a 1,000,000 increase in Minnesota, the same in Nebraska, about 1,000,-

000 in South Dakota and 500,000 in Mississippi which is not an outstanding cattle state. Texas, where a 2,000,000 increase is expected, is yet to report. In Iowa alone, hogs have increased 2,500,000.

By selecting statistics which suited its purpose and ignoring others, OPA won its argument. With more livestock on the farms and range than ever before, lower prices would logically come on an open market but families had to accept a ceiling price and no meat or become lawbreakers by buying black market meat.

While proclaiming their own high motives, OPA's supporters did not hesitate to charge others with trickery and dishonesty. OPA's temporary demise was accompanied by forecasts, buttressed by its own statistics, that, with controls abolished, prices would be "sky high" or "hog wild." The latter adjective struck a sympathetic chord in former Secretary of Commerce Wallace's memory but the best he could produce was a 25.5 per cent average increase in prices for 28 basic commodities in the first 16 days of July.

Silk, as a necessity?

MR. WALLACE'S percentage of price increase, being based on accurate government statistics, was correct—but it was not discovered until later that the statistics had been rigged for political purposes. Silk was included in the 28 commodities of daily necessity. On July 12, the Reconstruction Finance Corporation had sold 5,160 bales from government stocks. The price for a particular grade in the lot whose ceiling price had been \$3.08, was \$7.46. That was a 142 per cent increase for that grade of silk. Averaging it with the other 27, swelled the total to 25.5 per cent. Since that was the only sale made in months, silk should not have been included.

Also wholesale prices were used for all the commodities, not retail or consumer prices as necessary for an honest cost of living index. The Bureau of Labor statistics for the same period showed an increase of only 5.5 per cent.

In addition to the 25.5 per cent legerdemain, Mr. Wallace, when the "hog wild" prices did not materialize, impugned the motives of American business men with an explanation to fellow Cabinet members that the continuing normal prices were a sly trick to prevent the return of OPA.

Statistics purporting to show the protection which price ceilings give

to the consumer do not show the subsidies paid to producers which come out of the consumer's other pocket, or the hidden costs from wasted time or the injustices and tyranny of OPA's regimentation.

Two instances in a small city with which I am familiar are typical. A plumber on a city job with priorities needed four fixtures. Not being able to get them in town, he was obliged to drive nearly 100 miles to a larger city and shop around. The employer got the fixtures at ceiling price but naturally the plumber's added time and expense and the time lost by the crew when he was not there to lay out their work was in the bill.

A young butcher who closed his shop while serving overseas cannot get meat now because the shop was not open in the year when OPA fixed the quotas. Not receiving answers to letters, he drove more than 300 miles to a regional OPA office.

"Close up and go fishing," was the cynical advice they gave him.

Crop forecasts dependable

THIS year's bumper harvest proves that crop forecasts of the Department of Agriculture are dependable statistics. The scandal which followed a "killing" on the Chicago Board of Trade when a forecast

leaked a few hours in advance has not been repeated. Secretary of Agriculture Anderson sometimes appears to prefer political expediency to his own statistics.

In mid-May when parity was \$1.63 for wheat, the ceiling price was raised 15 cents. The Department issued a set-aside order to farmers to sell half their new wheat crop to elevators, assuring them that it would not go up more than 15 cents in the next 12 months. On Aug. 15, only three months later, the Department reported parity as \$1.80 a bushel.

The Department of Agriculture is among the largest users of statistics in fixing parity prices for farm products. Depending on the product, parity price or what is guaranteed to the farmer is fixed by the current increase in prices of 180 specified commodities needed on farms over their prices in 1909-14, 1919-29 or 1934-39, including taxes and interest on loans.

Of the 86 items for living needs: 22 are food; 17, clothing; 11, supplies; 21, furniture; one, an automobile, and 14, house building material.

The 94 items for production are grouped: 12 varieties of food; 30, machinery; three, motor vehicles; seven, fertilizer; 19, building material; 16, supplies, and seven, seed.

Each group is then given a

weight or percentage in the total according to rural purchases in 1924-29.

These statistical bases are subject to the same criticism as those used by the Bureau of Labor Statistics in estimating the cost of living. Tastes and needs have changed in the course of a generation, some of the items may be purchased only once in a lifetime, others are scarcities not on the market while others of daily need are not on the list. In brief, it is not flexible enough to fit actual living conditions.

Politics and figures

THE present crop forecast is for a bumper grain harvest. In spite of these statistics, grain is kept on the "short supply list" for the political purpose of possible OPA price control. OPA has ceilings on the finished product and anything with 30 per cent grain in its manufacture—whether beer or sausage—is a grain product. Even fish are now rated an agricultural product though no fish which walk on land are nearer than the Philippines.

Government statisticians came a cropper, now rectified, in estimates of individual farm income. They failed to adjust population samples to the Bureau of Census

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The 8,000,000 jobless bogey was pulled out of thin air. Disguised as statistics, this figure was put to use to pressure the Full Employment bill through Congress

It Pays

THERE is money to be made when it's warm and pleasant and also when it's cold. It's all in knowing how the weather affects your particular business and how to use the forecasts of weather



Pilot balloons are used to determine wind direction and velocity. Right: Observer records the amount of rainfall



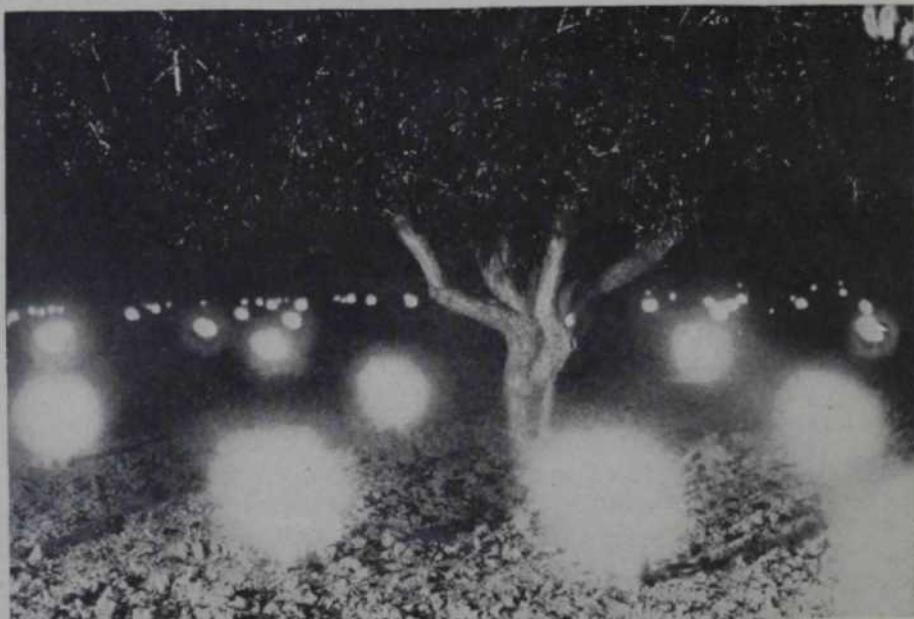
IF YOU ARE a commuter and a sudden rain comes up, you probably get a call from your wife:

"I don't want to go out in all this mess. Please stop at the bakery at the terminal as you come through and pick up a cake or something for dessert."

Multiply this by 10,000 and you see that the bakeries at the suburban terminals are going to do a rush business while those in the local shopping centers do practically nothing. By knowing about the rain in advance, the baking company can distribute to its retailers accordingly, and thus prevent disappointment to the customer and waste to the retailer.

But that isn't all!

Say that a Saturday in summer turns out to be unusually pleasant. By noon thousands of suburban families have decided to go picnicking and have sent Mary Jane



During one freeze more than \$12,000,000 worth of fruit and vegetables were saved by timely warning and frost protection measures

to Watch the Sky

By GEORGE R. STEWART



RUDY ARNOLD—BLACK STAR
Present-day forecasting helps reduce loss of life and property
and improve the operational efficiency of the public utilities

down to the local bakery for a loaf of sandwich bread. Unless the baking firm—by advance knowledge from the Weather Bureau—has known about this fine weather, there will not be enough sandwich bread to go around.

One large baking concern estimates that, by following the weather forecasts, it increases its profits \$230,000 a year.

Business men in all fields—by heeding the U. S. Weather Bureau's predictions, and its warnings against frost, high winds, floods and other hazards—save about \$4,000,000,000 a year. During one freeze alone more than \$12,000,000 worth of fruit and vegetables were saved by timely warning and frost protection measures.

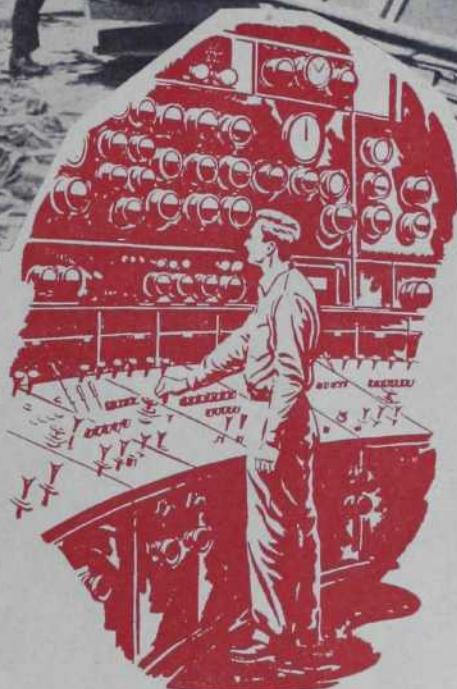
Sizable as this total is, it could be larger.

Weather forecasting is more accurate today than a few years ago.

Forecasting techniques have been improved. True, the forecaster even now cannot do much about predicting rain two weeks in advance, nor at a 24 hour range can he foretell a thunderstorm within a given 60 minutes. But, because he now has better ways to collect his data and more knowledge of how to interpret the facts, he can come much closer with his predictions than in 1941.

Of all the wartime developments, radar has proved the most useful to the Weather Bureau. Thick clouds and heavy rain of a tropical hurricane create such a barrier that radar waves bounce back from them almost as if from a squadron of hostile planes. A hurricane can now be followed at a range of 100 miles or more.

One radar station—had there been one—operating southward along the coast from Nantucket or



Block Island could have given accurate warning of the approach of the hurricane which in the fall of 1938 devastated New England. Had the people been warned in time that the hurricane was coming, they could at least have been prepared for it—and the loss of life and damage to property doubtless could have been cut.

As it was, the hurricane struck

unexpectedly, left 453 dead, 100 more missing, destroyed 9,000 homes, damaged 50,000 others and made 100,000 persons homeless. Property damage reached \$500,000,000.

Radar is the newest device for use in determining upper-air currents.

With it an observer can measure wind direction and velocity by following a target-equipped balloon into the stratosphere, clouds or no clouds. A balloon carrying a radio-meteorograph transmits pressure, temperature and humidity readings by means of high-frequency radio signals to observers on the ground.

Airplane scouting of weather formations has also been de-

veloped. During the war the Germans flew a daily plane out from Norway, perhaps as far as Iceland, merely to gather weather data.

We ourselves designed special planes to fly into and through hurricanes, not only to locate them but also to determine their characteristics.

Aviation plays role

SUCH scouting will probably be developed further. Off our Pacific Coast especially, the absence of ships—except on the trade routes—often results in dangerous blank spaces on the weather map. A plane sent out a few hundred miles from shore could bring back information which would perhaps re-

pay many times the cost of the flight.

Other advances have come through putting into practice, under military auspices, what weather men already knew but had not been able to afford—world-wide or at least hemisphere coverage. Weather is not produced in any one country or continent. It can be forecast most accurately only when world-wide observations are made and then referred to one center for mapping and interpretation.

During the war, many new observation stations were established, some of them "floating stations" and, on the basis of this better coverage interpreted through a central bureau, good progress has



U. S. WEATHER BUREAU
Telephone companies alert extra crews to repair damage when a warning of ice-glazing conditions is received

FORSYTHE—USDA
Weather plays an important role in the shipment of hogs as well as in the sale of bakery goods

been made toward forecasting a week in advance.

Better weather-forecasting facilities are thus available for the benefit of the business man, but, before he can profit to the full extent by these recently developed facilities, a change must take place in his thinking.

In general the business man's attitude in the past too often has been: "How can I prevent the weather from doing damage to my business and costing me money?"

The newer attitude is: "How can I make money by knowing more

(Continued on page 83)

Mighty Battle of the Pens

By DON WHARTON

THE ball-point pen which a year ago seemed a gadget is on the way to remaking the entire pen industry

AMERICA'S biggest sales battle, a window-shattering, hell-roaring, no-holds-barred fracas, revolves around a luxury item which itself revolves—the ball-point pen.

In just a year this revolutionary writing implement has far outstripped and overshadowed the conventional fountain pen. There were 8,000,000 ball-point pens sold



in 12 months. The outlook is for twice as many to be sold in 1947 and at fancy prices. Fountain pens never before sold like that. The pen business has become a fabulously profitable giant.

The stock of one ball-pen producing company—Eversharp—has been a Wall Street sensation. Reynolds ran a \$26,000 shoestring into more than \$2,500,000 net profits after taxes in 12 months. Eversharp eventually made that much in six months.

In four months, one New York department store sold \$1,250,000 worth of these fantastic, sphere-pointed writing tools.

Salesmen, whose pens, according to a hoary joke, always run dry just when the customer is about to sign an order, have purchased ball-point pens by the hundreds of

Copyright 1946 by Don Wharton.



RALPH PATTERSON

Their advertising is in large measure aimed at one another

thousands because they are advertised to write for from two to 15 years (according to who is doing the advertising) without refilling. Parents of school children, lured by glowing blurbs which picture one ink supply lasting through a child's whole education, never staining fingers or clothes, have stampeded department stores to gobble up the new pens. Millions were bought as gifts; here was that boon to women, something you could give a man who already had a wallet, a wrist watch, a desk set and a lighter.

New claims in advertising

ALL this spree of buying was nudged on and on by advertising which made gaudier and gaudier claims until one manufacturer of fountain pens, with tongue in cheek, advertised a "rocket" pen which will "brand cattle, spot weld, melt locks, etch letters in solid concrete, remove superfluous hair . . . and may even write for all we

know." This miracle instrument was priced at \$1,091.99, in pointed mockery of the \$12.50 and \$15 price tags on the ball-point pens. The rocket pen would be ready in only nine years, the maker promised. Meanwhile, if you needed something that would write, he had a good pen for two bucks.

Actually, some of the new ball-point pens are nearly as wonderful as the ads say they are. They actually will write for years without refilling. You really do not need blotting paper, and you cannot soil your fingers or your clothes. You can make carbon copies with the thing. It cannot leak, in an airplane or anywhere else. You really can write on cloth, on any grade of paper no matter how rough, on wet surfaces, even on an alligator's belly under water if that is your ambition. That's been done, as one of the lurid press agent stunts with which the ball-point pen has been promoted.

The writing point of the new implement is a tiny ball made of chrome steel. It is one millimeter in diameter, 1/25 of an inch. The ball sits in a socket, revolves freely as it is dragged across any surface, and as it revolves it wipes ink from

an inner reservoir onto the surface. The principle is simple—but to be satisfactory the instrument must be made to microscopic accuracy of dimensions, the ink feed must be just right, and it must be a special ink, much like printer's ink.

Manufacturers have had as much or more trouble developing satisfactory inks as they had in developing the implement itself.

The story of the ball-point pen starts in Hungary. Ladisla Biro came home to Budapest from World War I only 18 years old, but a tired, impoverished veteran of a defeated army. But he had an imaginative mind and an unbroken spirit. His versatility was and is amazing.

He studied medicine. He became a hypnotist whose performances amazed Budapest. He was a sculptor and a painter, and his pictures were hung in Hungary's National Salon. He became a political commentator, and a proofreader for a weekly magazine. That led to his becoming an inventor, for he detested fountain pens; they are not satisfactory on newsprint.

With his elder brother, Georg, a chemist, Ladisla Biro set out to develop something better. The first experimental model was a crude instrument two feet long. When a second model was built the two Biros took a sea-shore vacation. On the beach a dignified gentleman noticed their pen, asked to see it, eventually urged Biro to set up a factory in Argentina. He turned out to be Argentina's president, Augustin Justo. Nothing definite was arranged.

Moved to Argentina

IN 1939 Biro and his brother pulled out of Hungary and began experiments in Paris, only to find themselves in the path of war. Biro got away in June, 1940, and landed in Buenos Aires with less than ten dollars in his pocket. When his brother arrived that fall Biro was still combing Argentina for financial backers. Eventually an Argentinean whose wife was from Hungary put up some money, and an English financier got interested.

Biro's ball-point pen was still a long way from production. He had to design machinery, get ball bear-

ings from Sweden, train workers. It was 1943 before he produced his first model in Argentina—a flop. Immediately Biro began working on a new ink feed system based on capillary action instead of gravity flow.

Late in 1943 one of these pens arrived by air mail at the Brooklyn office of J. C. Musser, president of Eberhard Faber. Mr. Musser looked it over, tried it out, put it away in his desk. Every few days he'd get it out, try it again, show it to someone. He cabled for another pen for his engineers to take apart and then, in May, 1944, met Biro's principal backer in Rio and began negotiations for the American rights. Mr. Musser got the inside track.

The Quartermaster Corps of the Army indicated it might want



He'd shake the pen in the man's face to show that ink wouldn't squirt out

10,000 non-leak pens for the Air Forces and asked several companies what they could do. This quickly became known in the trade which is as spy-ridden as the Balkans. Soon all three big pen manufacturers—Sheaffer, Parker and Eversharp—were battling in Wall Street offices for the privilege of sharing American rights with Eberhard Faber. Eversharp made the top bid—\$300,000 cash to be added to \$200,000 to be put up by Faber for the Caribbean rights and five and one-half per cent royalties on all American sales—and set engineers to improving the pen and press agents to exploiting it.

The publicity of the wonderful pen to come rolled up like a snowball and when Gimbel's department store in New York advertised

last October, "Here is the fantastic, atomic era, miraculous fountain pen that you've read about," many a reader thought it was the one the Hungarian invented. Not at all. Eversharp was still painstakingly developing its new pen, testing and discarding model after model to get the "bugs" out of it. What Gimbel's was selling was a ball pen made by Milton Reynolds, a 54 year old human whirlwind.

A ball-pen variation

BORN in Minnesota, Reynolds went to Chicago and proved himself a boy-wonder selling tires. He was a millionaire at 26, broke at 27, rich again, poor again. He or his companies went through various bankruptcies. He built up a business in machines that print signs for department stores and during the war he had tried a few deals importing hard-to-get gadgets from Mexico. He flew in a quarter million silver cigarette lighters and got rid of them quickly at a profit of half a million dollars.

Reynolds saw the ball-point pen on sale in a Buenos Aires arcade in April, 1945. He bought half a dozen, flew home, put engineers and patent lawyers to work, and convinced himself he could make a ball pen outside the Biro patents. He hurriedly whipped together a model and beat Eversharp to the draw. Seventy Reynolds pens were assembled on October 6. On October 29, Gimbel's sold \$60,000 worth of his pens in New York. By the week's end Gimbel's had sold nearly 25,000 ball pens at \$12.50 apiece and Reynolds' office was besieged by excited buyers. They came by plane, flashed certified checks and offered fancy inducements to get this pen on their counters.

During the Christmas season Reynolds delivered the equivalent of several carloads of pens by air express. In the first five months Reynolds' net sales totalled \$8,000,000 wholesale—that's not talk, that's a Price, Waterhouse audited figure. His company had started with a capital of \$26,000 and its net profits after taxes were \$2,678,000 when the first anniversary rolled around.

Reynolds contends salesmanship had become a lost art during the war. He revived it, in its spec-

(Continued on page 98)

Buyers' Watchdogs Bark Again

By CARLISLE BARGERON

AS GOODS come back to market, organizations which aim to guide the consumer spring into action

INCREASED production is dissolving the shackles that held consumers in long lines before counters where something happened to be offered for sale. Soon the person with money to spend, instead of being asked to take a number, is going to be lured to spend it with every blandishment from free parking space to singing commercials.

But, the plethora of goods that brings emancipation can also bring bafflement. Even in previous days of plenty, the man with the easy dollar was frequently given to wafting it away while weakened by solicitous salesmanship. Now, with his heart filled with yearning and his pocket with dollars after five years of goods famine, his sense of values could reasonably be in an advanced state of atrophy.

Sensing this, many champions are springing to his defense. Most active has been the CIO whose pickets have enlivened the shopping districts of cities with placards urging customers to strike against high prices. Less spectacular manifestations have sprung up in other quarters, as what is loosely termed the "consumer movement" stirs again after a war-imposed somnambulism.

Many of these are new and, previous experience indicates, enjoy but brief life expectancy. Others have already demonstrated their ability to live in a competitive world by giving consumers service they are willing to pay for. Most influential of these are Consumers' Research, Inc., and Consumers Union, two organizations which, long before the war, dedicated themselves to guiding consumers toward wise spending.

Today, as consumer goods return to the shelves, they continue ready



Kallet broke with Schlinck and started Consumers Union



A. J. Schlinck heads Consumers' Research, devises testing gear

to give this service which consists of examining products on the market and recommending to their subscribers those which offer the best values.

Obviously with so many war-inspired new products coming to market, this is a task of some magnitude but it is not one to discourage A. J. Schlinck or Arthur Kallet, former partners, who now head the rival organizations. Mr. Schlinck came into public prominence in the late '20's when, with Stuart Chase, he wrote a best selling book, "Your Money's Worth." Schlinck, who served for six years as a physi-

cist in the Bureau of Standards and relatively briefly with Firestone Tire and Rubber, and the old Western Electric, apparently had the idea and the technical information, and Chase, who was to go on to fame as a writer and economist with the New Deal, had the words.

Advising consumers

THE book, a sharp attack on American advertising methods, was followed by another, "One Hundred Million Guinea Pigs," written by Schlinck and Arthur Kallet. This was in 1933 and this book had an even wider sale.

Backed by the reputation born of his first book, Schlinck formed a consumers' advisory service to tell people what and how to buy. First he operated from a two-room apartment in Greenwich Village in New York, subsequently moving to the loft of a building in the 20's just off Fifth Avenue.

By 1929 he had formed Consumers' Research, Inc. In 1933 he moved his "laboratory" to an abandoned piano factory in Washington, N. J., a community of about 5,000 population. A year later, he acquired property some two miles outside the town where Consumers' Research, Inc., ever since has been publishing a monthly bulletin, with a claimed circulation at present of 70,000, on consumers' problems, and advising customers on the relative merits of everything from lipstick to washing machines and automobiles.

This service costs \$3 a year. For another dollar, a yearly cumulative index is issued to those who sign a pledge that they will consider this information confidential and not pass it on to anybody. In this index products of American industry are rated as A, acceptable; B, intermediate; C, not recommended. The confidential nature of this service is frankly for protection against libel. It is considered to be a client-lawyer relationship, and on the basis of it, Mr. Schlinck says he has never had the slightest trouble with libel.

By the mid-30's, Stuart Chase had long gone on to other things, but Mr. Kallet and Mr. Schlinck remained close associates until the establishment became embroiled in labor trouble.

Then Mr. Kallet and several others moved out to establish Consumers' Union at 17 Union Square, New York City. The services rendered are the same, as are the

charges. But in addition to its monthly *Reports* which competes with Mr. Schlinck's *Bulletin*, and its yearly cumulative index which bluntly rates products in the same category as does Mr. Schlinck, it distributes a weekly tabloid called *Bread and Butter*. The latter is an avowed crusader. At the time of the fight about OPA, it was devoted to a continuation of the price fixing organization without change. More recently it has been devoted to organizing buyers' strikes.

Consumers Union is called, and its entrepreneurs have no objections, the bellwether of the consumers' movement in this country. It has also been labeled communist. Mr. Kallet, the director, has similarly been labeled alternately as a Communist and a fellow traveler, as have several others of the organization's sponsors and those associated with it.

The president, Colston Warne, a professor at Amherst, is more generally considered as an advanced New Dealer. A distinct difference between the two organizations, seemingly, is that Mr. Schlinck's reports now show no malice against the industry of advertising and he insists that he is not concerned in any political philosophy—New Deal, Leftist or Rightist, Democrat or Republican. The Consumers Union *Reports*, on the other hand, do reflect a cynicism toward advertising methods.

Differing philosophies

EDITORIALLY, as their respective views are reflected in Consumers Union *Bread and Butter*, and in Mr. Schlinck's "Off the Editor's Chest" column in his *Bulletin*, they are as wide apart as the poles.

Mr. Schlinck, for example, was against continuation of OPA. He dislikes bureaucrats. Consumers Union, in addition to its editorial activities, maintained a lobby in Washington in behalf of OPA. Professor Warne of Consumers Union, incidentally, has long been an OPA consultant.

His friends describe him as a man of considerable energy, with the stature and zeal of Abraham Lincoln, and he adds considerably to his Amherst professorial income by making speeches, particularly on the New England speech-making circuit.

One of his friends, a Leftist and leader of the consumers' co-op movement, described him as an "ideological jitterbug." Another who wants the Government to take over only the basic industries exclaimed of the Professor: "He

wants the Government to take over everything."

Consumers Union now claims 140,000 members, and both they and Mr. Schlinck assert that their membership does not measure their influence because their wares are being sold throughout the country's schools through teachers and intellectuals who make up the bulk of their customers.

Be that as it may, these two services are now enjoying a revival of interest after the war years, during which they admittedly found hard going because there were so few consumers' goods on which to report.

Now they have increased their promotion activities. "Not only are goods back on the market but people are price conscious," they told me when I dropped into their offices to discuss their methods of testing products on which American industry spends millions of dollars for laboratory services.

Like a magazine office

CONSUMERS Union offices are on the twelfth floor of a building facing Union Square in the heart of New York's garment center. The reception room resembles the entrance to the office of a small magazine, with copies of the publication placed neatly on a table.

A young, attractive, smartly dressed receptionist handled our request to see Miss Madeline Ross, the editor of *Reports* and *Bread and Butter*, said to be the brains, next to Mr. Kallet, of the outfit. She is 31 years old, came to this country from Budapest at the age of six. Her father was a coat and pants designer. She graduated from Cooper Union as a chemical engineer, worked for a year or so in a private laboratory and has been with Consumers Union in an editorial capacity ever since.

It was she who handled the organization's lobby for OPA in Washington. She is a medium-statured blonde who smokes Pall Malls, and when I asked her if they had been tested, she smiled wryly out of the side of her mouth, as she has a way of doing. She speaks quietly and deliberately.

Miss Ross explained that the laboratory occupies the penthouse of the building and that two rooms on the same floor as the offices are used for testing. There was, she said, considerable heavy equipment in the penthouse and one four and a half ton apparatus had been most difficult to handle. I did not see the laboratory. It is an invariable rule of the Union, she said, that

the scientists could not be disturbed.

Occasionally, when the door opened, we heard the sound of a radio which, Miss Ross said, was being tested for sensitivity, sound clarity and receptivity. The Union, she said, is examining some 500 radios. She said also that it has 60 employees, about half of whom are technical or professional workers, and the pay of these latter two groups runs up to \$85 a week. They all belong to CIO and, when not busy in their scientific work, have on occasion engaged, on the side, in picketing against strike-bound plants. Mr. Kallet, the director, gets \$7,500 a year, Miss Ross told us. The organization, like that of Mr. Schlinck, is non-profit.

Miss Ross told us offhand that the organization did 90 per cent of its own testing. Later, in a letter, she said it did 70 per cent of its testing and 30 per cent was farmed out to college, commercial and the Department of Agriculture laboratories, the latter handling all canned foods, for example.

"Our own laboratories," she said, "are well equipped for testing textiles, small electrical equipment, radios and radio combinations, small mechanical equipment and substances such as foods and drugs which require chemical tests."

Washing machines and refrig-

erators are now being tested in university laboratories, she wrote. No figures were available as to the amount spent in the past on the purchase of articles for testing or the amount spent with commercial, university and government laboratories, but Miss Ross wrote us subsequent to our visit that the Consumers' Union intended to spend about \$40,000 this year for the purchase of articles.

Purchases on open market

THE articles are bought, the letter said, in the open market by women in 26 different cities who, Miss Ross said, "have been recommended to us from time to time." They are paid, she added, "about a dollar."

Asked particularly about how the organization tested an automobile and what became of it afterwards, we understood her to say that it was put through such an exhaustive road test that it really wasn't any good afterwards. In her subsequent letter she said we might have misunderstood her on this. The fact, she said, is that automobiles have been "rated by an automotive engineer on the basis of specifications, design and engineering data from such groups as the Society of Automotive Engineers, and 'experience' data on durability, repair costs, etc."

At Washington, N. J., the woman taxi driver readily acknowledged our direction, "Consumers' Research," with the knowing word "Research." Mr. Schlinck's enterprise is a leading industry in the town and the townspeople know about it.

Mr. Schlinck, now 55, a thin, energetic man with balding sandy hair, and a wisp of a mustache, greeted us warmly and proudly set out to show us his equipment, much of which he devised himself, more or less as a hobby. At the same time, he scoffed at the idea that either he or Consumers Union tested everything they reported upon. He readily named several outstanding commercial laboratories and their cost, running into the millions of dollars, and said, of course, no enterprise such as his, or Consumers' Union, could do this work. He does his own testing in about ten per cent of the cases, he said. The rest he farms out to commercial, college and government laboratories of which there are hundreds around the country. He claims that he checks these reports carefully and not infrequently catches them in error.

But he did have a laboratory setup. Altogether the enterprise occupies five buildings out in the countryside on what might be a farm, across the way from an

(Continued on page 80)



TONY CARUSO—BLACK STAR

Schlinck's laboratory, he says, is incidental.
He relies largely on the help of consultants



JOE COVELLO—BLACK STAR

Consumers Union does most of its own testing,
says Miss Ross, though no laboratory is in view

Reading for Pleasure or Profit...

"Blueprint for World Conquest"

WHAT are the Communists up to? "Blueprint for World Conquest" (Human Events, 608 South Dearborn St., Chicago; \$3.50) supplies a terrifying answer.

Here are the official instructions of the Communist International to its party workers, written in 1920 and '28, and now first published for the general reader. William Henry Chamberlin, in his introduction, calls these documents the Soviet "Mein Kampf." In them the Marxist fathers outline a plan for world revolution. They call on Communists to perform "illegal work in the army, navy and police," take secret control of "liberal" organizations, and sabotage governments potentially hostile to the USSR—all in preparation for "inevitable war" with capitalism.

This, Chamberlin asserts, is still the Soviet policy, even though Stalin has disowned world revolution, disbanded the International and, apparently, discarded the doctrines of Marx. Though he doesn't prove it, Chamberlin may be right. The new Russian nationalism and the old Communist internationalism may be as simply identified in Soviet thinking as they are in his. In which case Russia wants world conquest, and "Blueprint" is vital reading for national defense.

Uglier than the threat of war in this book is the Communist mind it describes. Dogged and humorless, the Communist writers delight in words like "merciless," "absolute" and "discipline," phrases like "therefore the deep hatred is justified." Their arguments, seeking to exclude rather than examine possibilities, are thick with such arid terms as "trade unionist utopian opportunism," an abstract language which would make any political doctrine inhumane.

"Thank You, Mr. President"

By Merriman Smith

MERRIMAN SMITH, who covers the White House for the *United Press*, adjoins each Presidential press conference by saying, "Thank you, Mr. President." His breakneck journalistic career is described with high spirits in "Thank You, Mr. President" (Harper, 49 East 33rd Street, New York; \$2.50).

Smith regards his calling as a public trust. It was Roosevelt, he says, who made the White House press conference a vital part of U. S. Government. Since 1932, Presidents have allowed reporters to carry on a lively cross-examination, instead of submitting written questions. In this way the people, through the press, can keep a closer check than before on the Chief of State, in whom they

have invested so much of their liberty, time and patience. The modern press conference also gives the President an unequalled opportunity to explain his policies in public.

Smith has known both Roosevelt and Truman. He found FDR annoying though brilliant. Sometimes short with the press, Roosevelt called the three wire-service White House correspondents his "ghouls." "You've got your news, now go on and get out," he liked to say. He was strict about certain aspects of wartime censorship, too, so that foreign journals sometimes scooped our own.

Smith seems to prefer the good-hearted Mr. Truman, although the President's staccato talk is often too fast for note-taking and his early hours are a trial to the press.

"Arsenal of Democracy"

By Donald Nelson

HERE is a bird's-eye perspective on war production, of special interest to business men who got only a worm's-eye view at the time. Up and down the alphabet, from NDAC, OPM and SPAB to WPB, Donald Nelson guides the reader through the complex history of organizing industry for war. He explains overlapping authorities, inflating priorities and subtle administrative shifts with all the lucidity of Sherlock Holmes.

The bombshell in "Arsenal of Democracy" (Harcourt Brace, 383 Madison Avenue, New York; \$4) is its attack on the Army.

By spring, 1944, war production had done most of its job, unemployment was on the increase, and Nelson, you recall, arranged for limited manufacture of civilian goods to break the shock of sudden reconversion on V-day. The Army boiled with rage. Its policy, the writer charges, was "to protect war production by the simple means of creating pools of unemployment."

Officers sabotaged the reconversion program, he says, by publicizing a "war production crisis" which did not exist, then bungled an attempt to have Nelson thrown out of WPB. Again, he maintains, the Army was unsympathetic in dealing with small business; it sided with those who wanted to keep new concerns from entering civilian production as war neared an end. If the military ever gains control of industrial planning, Nelson concludes, American freedoms will be forfeit.

Sunnier chapters deal with the great "miracles" of war production.

That story is still astounding and takes on new fascination in Nelson's inclusive account.

"Running the Country"

THIS big, rambling anthology is good to have around the house for occasional reading and a vast fund of information on American politics. With magazine articles, excerpts from essays, letters, speeches, confessions—dating from the turn of the century to the present—"Running the Country" (Henry Holt, 257 4th Avenue, New York; \$3.95) tells you about state constitutions, senatorial courtesy, proposals for socialized medicine, the unicameral versus the bicameral system, almost every conceivable aspect of government.

The views of John T. Flynn, FDR, Al Smith, William Allen White and more than 100 others are presented on such subjects as Prendergast, Puerto Rico, public opinion polls, and Delaware corporation laws. The editorial choice is slightly, but not foolishly, left of center. Nine hundred and eighty-six large pages, and an excellent buy.

"Here They Dug the Gold"

By George F. Willison

IN 1859 more than 100,000 people shouting "Pike's Peak or Bust" and "Ho, for the gold fields of Kansas" set out on one of the most barbaric episodes in American history, a gaudy and appalling subject for George F. Willison's "Here They Dug the Gold" (Reynal and Hitchcock, 8 West 40th Street, New York; \$3.50).

The Wild West: a poor phrase indeed to suggest all the madness, mayhem and murder which crowd Mr. Willison's pages. In the Pike's Peak gold rush itself, while no one cleared a large profit, thousands died of cold and starvation and massacre by the Indians, still cherishing their childlike dream of sudden wealth. Then in 1878, silver was discovered in Colorado. The nightmare city of Leadville mushroomed into notoriety.

Here, as local papers reiterated, there was "Hell on the Roads—Fighting All Along the Boulevard." Rival prospectors murdered each other hourly, at a homicide rate 10 times greater than that of Chicago in 1929. Organized war, sometimes deep underground, raged between vigilantes and "footpads," degenerate cavemen who thrived in an atmosphere of greed. Leadville had its females, too, offering "song, dance and mirth and emotional novelties." Out of all this arose great fortunes: Pullman, Walsh, Guggenheim.

Mr. Willison, always a delightful historian, handles his colorful, rather gruesome story with humor and insight.

"The Big Clock"

By Kenneth Fearing

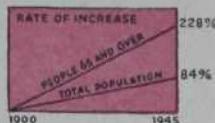
FEARING's latest is a fast, glittering little novel about murder, contrived with demonic cleverness. The scene: a giant magazine syndicate, acidly satirized for its simultaneous exploitation of every common weakness, from lust to religiosity. The plot: George Stroud is forced to lead a manhunt of which he, himself, is the object—an original device brilliantly worked out. (Harcourt Brace, 383 Madison Avenue, New York; \$2.50.)

—BART BARBER

What's your **Outlook** for a **Happy Old Age?**

It's good! Since 1900 the number of people 65 and over

has increased by 228%.



while our total population



has increased only 84%. Estimates

are that by 1960 more than 1 person out of every 11 then living will have passed 65.



Long before retirement age, and especially after 40, two things



become increasingly important . . .

guarding against degenerative diseases which strike in older years, and preparing for the leisure



of

your old age. Fortunately, there is much to help you do both.



THE FIRST ESSENTIAL OF A HAPPY OLD AGE IS GOOD HEALTH

Periodic medical examinations provide the best means for your doctor to detect, in their early stages, diseases which may cause trouble later in life.

In addition, these checkups permit the doctor to advise you *now* as to normal, healthful living. You can do much to prepare for a healthy old age by observing good living habits *today*.

Further hope for a healthy future comes from medical scientists who are giving increased attention to the diseases of old age, such as cancer, high blood pressure, heart disease, and nervous and mental disorders.

Naturally your pattern of living will change as you grow older. But to keep mentally happy and physically well, start planning early for your retirement years.

Develop a tailor-made plan for living suited to your temperament and interests. This normally should include some constructive activity that calls for both mental and physical effort to get full enjoyment and benefit from your leisure hours.

To help you plan for many happy, healthy years, send for a copy of Metropolitan's free leaflet 116-P, "Blueprint for Health."

Metropolitan Life Insurance Company (A MUTUAL COMPANY)

Frederick H. Ecker,
CHAIRMAN OF THE BOARD
Leroy A. Lincoln,
PRESIDENT



1 MADISON AVENUE, NEW YORK 10, N.Y.

COPYRIGHT 1946—METROPOLITAN LIFE INSURANCE COMPANY

TO EMPLOYERS: Your employees will benefit from understanding these important facts about old age. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS—IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE—KEEP IT!

The Sea Yields Her

By EDWIN WARE HULLINGER

FRESH RICHES are coming from the sea. It is only a matter of time, marine chemists agree, until the ocean will be more important as a source of chemicals for American industry than as a provider of food for the dinner table.

North Atlantic herring sardine fishermen today make more money from the sale of scales than from all the rest of the fish.

The National Fisheries Institute discloses that 32 commercial commodities already are being manufactured from fish. Without agar-agar, a seaweed product, it would be impossible by present methods for health authorities to test water or milk; nor could hospitals carry on bacteriological work. A product made from kelp and known as algin is used as a stabilizer in the manufacture of much of the country's ice cream.

Bromine, extracted from sea water, is an ingredient of ethyl gasoline, while magnesium, another sea water product, makes articles ranging from airplane landing wheels to baby perambulators.

Vigorous infant industries are rising up out of the vacuum of industrial wastages—indus-

tries that have an importance out of proportion to their size.

For instance:

At the Navy's fire-testing field at Lindley, Ohio, last year a tank 93 feet in diameter and 25 feet deep, filled with crude oil, was set afire as an experiment. Through the oil feed line running into the bottom of the tank, there began to flow a stream of new fire extinguisher, made from herring scales mixed with certain chemicals.

While black clouds billowed from the top of



Fantastic as it may sound, chemical sprays used by the Navy during the war to battle fires aboard carriers and other craft contained a key protein element ingredient taken from the scales of fish

Riches

THE sardine is only a tiny fish, but he's a big boy to the North Atlantic fishermen. And that's just one story as chemists find new uses for our underwater treasures



More than half of the yield goes for commercial uses such as fish meals and oils

The liver is taken from a cod. Science is finding increased need for its oil



the tank, the extinguisher in the form of foam rose quickly through the oil to the surface, where it spread out to form a smothering oxygen-tight blanket. Five separate fires were started. In each case, the flames were under control in three to eight minutes and completely extinguished in eight to 14 minutes.

While this was the first time the foam had been injected into a burning tank from below, the new extinguisher had behind it a remarkable record of lives saved aboard aircraft carriers and in invasion landings throughout the Pacific. During one invasion a Japanese bomb landed on the deck of the U.S.S. *Enterprise*. In a few seconds the carrier's flight and hangar decks were wrapped in flames from burning high-octane gasoline. A "snowstorm"

of foam from the nozzles of hose in the hands of the ship's fire-fighting crew soon had the fire out. Similar fires were smothered aboard other carriers.

The product was developed in 1942 by the Navy, working with chemists from the Mearl Corporation, marine products manufacturer of New York and Eastport, Me., but did not get into mass production until late 1943. While other fire-fighting techniques also were worked out during the war, this is the only one thus far evolved that is effective against gasoline, one of man's most formidable fire foes.

Fantastic as it may sound, to go to a fish's scales to put out an oil fire, scientists say the protein element is a key ingredient. (Foams also are made with vegetable proteins, but foam from animal pro-

tein is said to possess certain advantages not demonstrated by the other foams.) The foam creates an oxygen-proof envelope inside which the fire cannot burn, an envelope which automatically closes together again when punctured.

Incidentally, the foam substance is a twice-removed by-product of the scales after they already have yielded another commercial product, pearl essence, the commodity basis of still another lusty infant industry.

Profit without labor

AS FOR the North Atlantic fishermen, they get their new profits—in addition to the income from the sale of fish for food—without even having to touch the fish with their hands. The herring obligingly shuck off their scales while thrashing around in nets. The scales drop down into the boat's false bottom. When their boats arrive in port the fishermen shovel the "harvest" into barrels waiting on the wharves of the essence factories.

On the middle Atlantic seaboard (where the product is somewhat inferior in quality), the scales are collected as they fall from assembly belts of canneries. The essence processors send barges to pick up the consignments and pay the canneries for the cargoes. Formerly, the canneries had to hire truckers to cart the stuff away.

Pearl essences are luminous whitish crystals, derived from a substance called guanine, found in the fleshy under-surface of fish scales. Herring sardines have the richest supply, and are the only fish used in this country for this purpose.

Mixed in enamels and lacquers, the crystals are widely used by jewelry and plastics manufacturers throughout the world to give their products a pearl-like luster. All artificial pearls get their sheen from the layers of essence with which the glass bead centers are coated. American manufacturers blend the enamels in such products as plastic brush handles, fancy buttons, bathroom fixtures, elevator buzzer plates, statuettes, plastic artificial flowers for bridal

gowns, library tables and household ornaments. They also are used in photographic emulsions and to illuminate certain airplane instrument panels. The crystals give a gloss to some printing inks and are a standard material in the production of various fingernail polishes.

The process was imported from France after World War I, but it was World War II that gave the industry its chance to expand. Increased demand for costume jewelry, plus the shutting off of foreign imports of artificial pearls—the artificial pearl necklace was one of the GI's favorite gifts—doubled the demand for the product.

Today, the United States leads the world in output of this specialized commodity, with brisk export markets in Latin America and some parts of Europe, especially England. Before the war we exported to Japan, one of the world's leading artificial pearl producers; the Japs' own pearl essence lacked the sheen of the American product and was not suitable for the final coating.

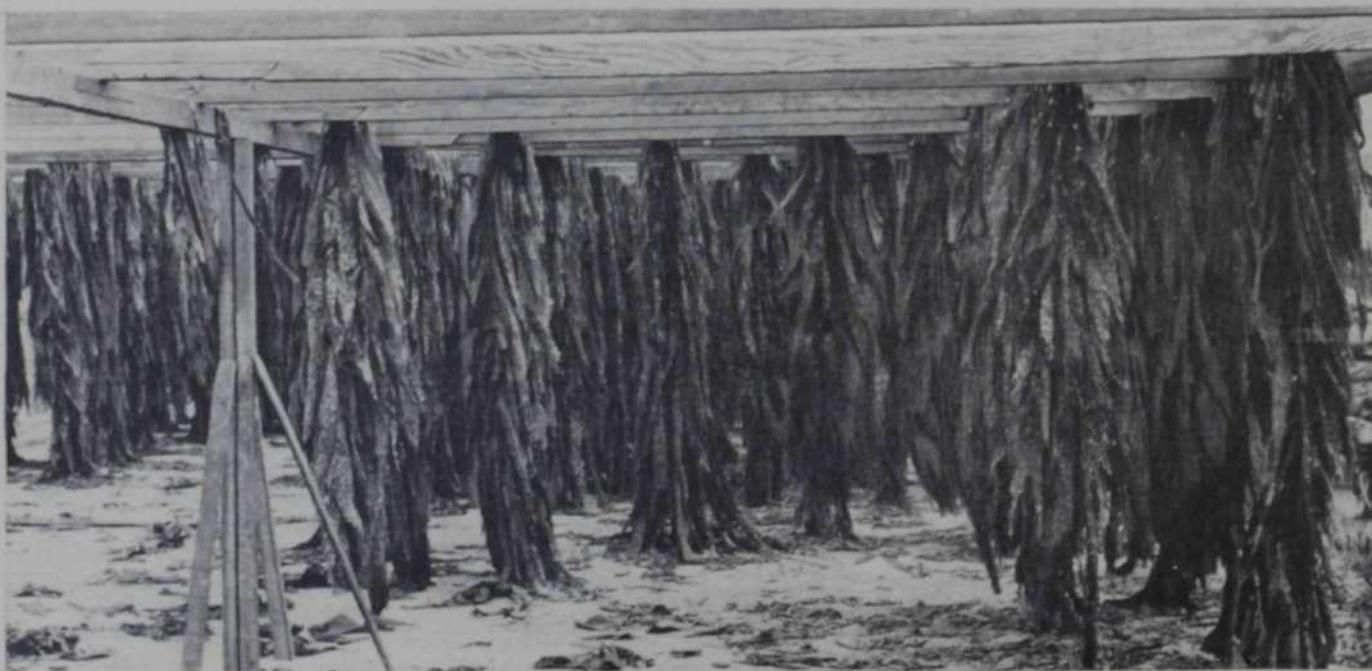
The industry centers at Eastport, Me., but there are plants in Massachusetts and along the eastern seaboard as far south as Reedville, Va.

The Mearl Corporation also extracts three amino acids from fish discards at the Eastport plant. Purines and pyrimidines, two groups of useful industrial chemicals, are other by-products of herring processing.

Only smell discarded

IT IS a boast of fish processors that they now can use everything but the smell. Two new waste-product utilization projects would seem to come close to realizing even this final triumph. Of all old-time fish smells, it is doubtful if any surpassed that which used to hover around the "stick water" which oozed from the meal presses in reduction plants.

Yet stick water has become the center of a sizable by-product operation on the Pacific coast, and fish discards, such as the heads, entrails and tails, have been found to be a rich source of some of the amino

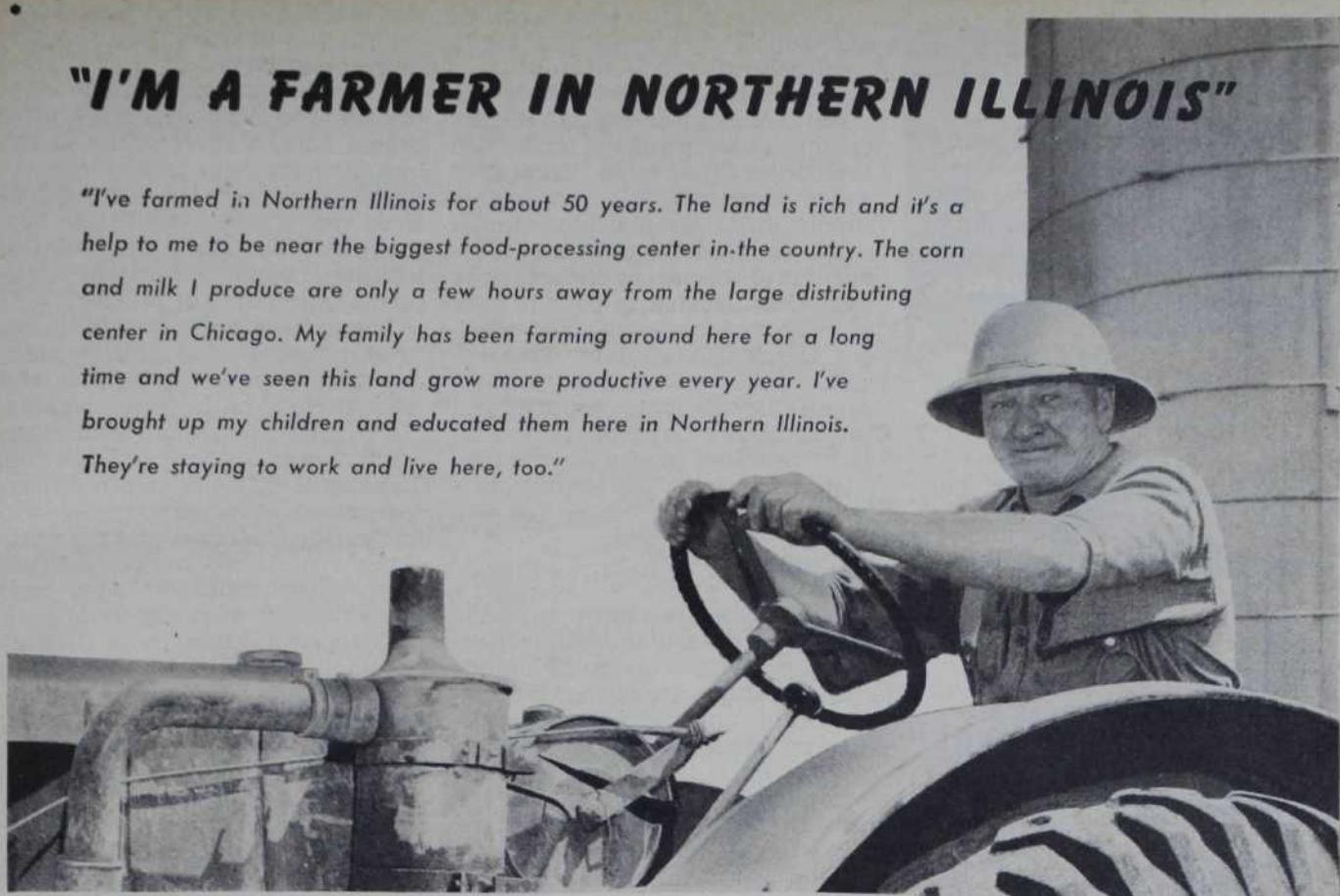


Algin, made from kelp such as is shown drying, is used in the manufacture of both rubber and ice cream. It is also used to keep boiler tubes from clogging and steel cables from sticking

FISH AND WILDLIFE SERVICE

"I'M A FARMER IN NORTHERN ILLINOIS"

"I've farmed in Northern Illinois for about 50 years. The land is rich and it's a help to me to be near the biggest food-processing center in the country. The corn and milk I produce are only a few hours away from the large distributing center in Chicago. My family has been farming around here for a long time and we've seen this land grow more productive every year. I've brought up my children and educated them here in Northern Illinois. They're staying to work and live here, too."



This man is typical of the progressive farmers of Northern Illinois. There is an abundance of good roads and railroads to get their products to all of the country's large marketing centers. This same transportation network, plus the area's diversified industrial facilities, combine to provide the finest machinery and equipment with which to work.

In Northern Illinois, electricity helps make farms great producers. These Companies are continuing a long-standing program of rural line extensions which today makes this service available to over 95% of the farms in the territory. The towns serving the needs of these progressive farmers are well-developed communities with good stores and shops, sound banks, fine schools.

These companies have a stake in Chicago and Northern Illinois and confidence in its future. The theme of this advertisement is similar to one of a series we are publishing nation-wide to point out the many industrial advantages available here.

If you know of any business seeking a new location, please inform us so that in cooperation with other agencies interested in the progress of Northern Illinois, we can furnish complete factual information on the area.

Industries locating in this area have these outstanding advantages:
Railroad Center of the United States • World Airport • Inland Waterways • Geographical Center of U. S. Population • Great Financial Center • The "Great Central Market" • Food Producing and Processing Center • Leader in Iron and Steel Manufacturing • Good Labor Relations Record • 2,500,000 Kilowatts of Power • Tremendous Coal Reserves • Good Government • Good Living • Good Services for Tax Dollars
Send for free booklets containing useful information on these advantages.



This is one of a series of advertisements on the industrial, agricultural and residential advantages of Chicago and Northern Illinois. For more information, communicate with the

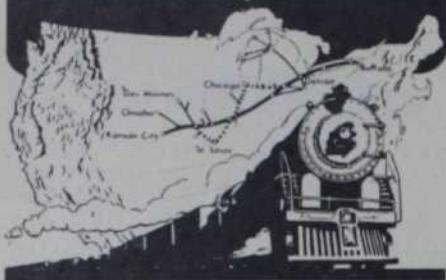
TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANDolph 1617

COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY

★ Visit the "Victory" International Live Stock Exposition • Chicago • November 30-December 7 ★

For **DIRECT** and
DEPENDABLE service
Route your freight via
WABASH MAIN-LINE...
Through
"The Heart of America"



The map tells the story of WABASH DIRECT-LINE advantages.

Freight is King on the Wabash!

Fast Redball Freights maintain dependable schedules. Main-line freight saves you hours when delivery dates are important. Heavy-duty modern rails on well-ballasted roadbeds... engines noted for their power and stamina... insure that your freight shipments will be transported dependably.

C. J. SAYLES

General Freight Traffic Manager
St. Louis 1, Missouri



For freight that's on time
WABASH MAIN-LINE

WABASH RAILROAD

acids, a new pharmaceutical product which many doctors think eventually will rival vitamins as a drug counter package.

Not long after Pearl Harbor chemists of some of the larger fish companies discovered that stick water contained an appreciable supply of vitamins and amino acids. Instead of allowing it to drain into the sea, as once was the case, they decided to pour it back into the meal, forming a new product called fish solubles. This increased the volume of the meal—which meant more profits—and the addition of the pharmaceuticals was found to give the mixture a premium value for feeding purposes.

Good food for growth

AMINO acids are known to influence growth—rabbits fed on them have tipped the scales at 20 pounds—and vitamins are as good for animals as for humans. Some new machinery was required, but, as fish meals tripled in price they grew in popularity as stock feed, and the venture paid dividends.

V-J Day found eight of the large Pacific coast firms processing stick water for use as animal feeds, with chemists working on projects to use it as an auxiliary source of supply for the drug trade.

The main source of amino acids in the fishing industry will continue to be cannery discards. The University of California laboratories, working with private marine chemical interests, processed them successfully during the war, although most of the wartime output came from casein. (Packing house refuse made a small contribution.) A number of large firms already are carrying on pilot plant operations with fish waste products, and it is predicted the enterprise will become an important by-product feature of the fish canning business.

Amino acids are the protein building blocks from which body tissue is made. They are opposite numbers to the vitamins.

Science has known about the acids for a long time. The first acid was isolated by a European chemist more than 100 years ago; the last two were discovered by Americans the first part of this century. It was not until World War II, however, that technicians succeeded in retrieving these acids from nature in such a way that they could be put to work for human betterment.

The American agar-agar industry, which grew from practically nothing at the time of Pearl Har-

bor to a point where it was able to service the nation's needs, had to be improvised in a hurry. Before the war, Japan had a world monopoly on the product; the United States bought three fifths of her output. Agar-agar is a gum made from red algae, a variety of seaweed that grows close to the bottom of the sea along the coasts of northern Japan, southern California, and parts of Mexico.

The crop is harvested in Japan by girls between 14 and 20 years old, who dive to the bottom and hold their breath while picking. Many girls die from tuberculosis after five or six years at the job. The pay is pitifully small. American wages, even with mechanical harvesting, increase picking costs—the reason we never had developed an industry. Agar-agar has a number of commercial uses, but its vital function is in bacteriological culture.

When the Japanese supply stopped, there was only one small source in the United States, that of an elderly chemist at San Diego, Calif., who produced small quantities of high grade product for the drug trade. With federal finances, the American Agar-Agar Company bought him out and converted the plant into a sizable establishment.

Whether the small but crucial industry can survive peacetime competition may depend upon what the allies eventually decide to do about the Japanese industry. The Japs probably can underbid any price the American industry can afford. They already have asked permission to sell from the stockpile they still have on hand.

Seaweeds are useful

THE commercial future for other seaweeds and mosses, which cost less to gather, probably is brighter. Quantities of Irish moss, harvested along the New England coast, are shipped to candy manufacturers in Chicago, who employ it as a stabilizer. It also is used by large cheese makers and by processors of chocolate milk.

Kelp derivatives have a large number of other uses in industrial fields, in addition to the use of the algin derivative in the manufacture of ice cream. In rubber making, algin is used to "cream" the latex. It also serves as "antistick" on steel cables, permitting the cables to unwind smoothly, and for the same purpose in the handling of certain metal roofing materials and corrugated iron sheets. It is used in industrial plant boilers to

(Continued on page 102)

WHEREVER YOU GO— YOU SEE BURROUGHS MACHINES

U. S. RUBBER COMPANY

like most of the world's great industrial concerns, is an important user of various types of Burroughs machines. In this office of the Indianapolis plant, Burroughs Electric Calculators are used on practically every desk.



Burroughs has always been first in developing machines and operating features to make office work simpler, faster, easier. This is the continuing objective of a research staff that works in close cooperation with businessmen and operators everywhere. Today, more engineers and scientists than at any time in Burroughs history are working with the finest laboratory equipment obtainable, improving current Burroughs products and creating new machines for the needs of tomorrow.

BURROUGHS ADDING MACHINE COMPANY • DETROIT 32

1st
Burroughs
IN MACHINES
IN COUNSEL
IN SERVICE

FIGURING, ACCOUNTING, STATISTICAL AND CASH REGISTERING MACHINES • NATIONWIDE MAINTENANCE SERVICE • MACHINE SUPPLIES

Need We Tax Away Prosperity?

(Continued from page 38)
forced to seek a right price for the things they have to sell.

In the second place, profits serve as a check on costs, and hence as a means of reducing waste of all kinds. Costs must be brought below the price at which the thing will sell in adequate quantities, and the lower the cost the greater the margin of profit and the greater the possibility of promoting wider usage.

The beneficial pressure of profit on cost reduction comes from giving an impulse to efficiency and ingenuity; it provides an incentive for the discovery of new processes and new machines for the elimination of waste motion and unneeded human effort. This kind of cost reduction reduces the human effort and material needed in the producing and selling of a given article.

Economy in the use of men and materials, while at the same time maintaining or improving the standard of living, serves a valuable social purpose. The pressure for profits is the principal influence to this end.

Guide to business activity

PROFITS, therefore, serve a double purpose:

First, they direct the activities of business into channels which meet a public response;

Second, they provide a pressure for ingenuity and efficiency.

Profits are needed for these two purposes whether the profits, after they are made, are privately owned or not. Ownership of profits is a separate question from that of the usefulness of profits as a directive energizer of enterprise. An enterprise of the business type, producing goods and services for use—whether it be publicly, privately or cooperatively owned—requires the profit motive and profit statement to make it work soundly.

Profit, as a directive energizer of business, deserves more respect than it is sometimes accorded. It would be difficult indeed to find a substitute that would serve the public welfare so well.

Now, as we consider profits for business as a whole, we come to a new set of problems—problems which relate to the adequacy of purchasing demand as a whole. These problems center in the nature of purchasing power and its movement in the national com-

munity, since it is only through the flow of purchasing power that the nourishment of business, by business profits, can be accomplished.

A business can be rich and still be sick—profitless. So also, business as a whole can be rich and still be unhealthy. The balance sheet of business may show enormous assets and modest liabilities, and still business may not be doing the work that it is the business of business to do.

Volume is a necessity

IF there are no transactions, there will be no profits. If there are insufficient transactions, there will be insufficient profits. Large numbers of transactions do not, of course, guarantee profits, but they are a necessary first condition in providing a situation in which profits can be made.

The undernourishment of business comes from insufficient profits and prospects of profits. When this condition applies only to a particular business, we can regrettably charge the disorder to the requirements of survival in a competitive universe. But when business generally is undernourished for lack of profits, we must look to the environment generally. In such a situation the presumption is that the environment is not favorable to business survival.

A sick business serves the cause of freedom badly. In such a business, stockholders, employes, vendors and customers, all are in the hands of a management whose objective is survival and whose

motivation is fear. There is no "long pull." Short-run policies dictate the manager's decisions.

The sick business has no freedom and it can give no freedom. It can be victimized in every business transaction. It protects itself as best it can. Just as for the individual person, adequate nourishment is a favorable foundation for a sound mind, so also a thriving business is a necessary prerequisite for sound business statesmanship.

The dangers to individual enterprise arise in large measure from neglect and abuse of the profit system. The protection of individual enterprise will be substantially accomplished if the profit system is rehabilitated.

This means that purchasing power in the hands of the people must be in proportion to their capacity to produce; that labor and management must cooperate in getting wages up and costs down; that taxes must be assessed on incomes and not on profits; that the residual profits of enterprise must go to the enterprisers; that selling prices must be established by competition; that misbranding and adulteration must be outlawed and, finally, that we all must recognize that public regulation in the public interest is necessary if public subsidy or grant of monopoly has been received.

We need enterprise

ONLY when we all recognize the importance of enterprise and the desirability—no, even more, the necessity—of profit can we attain our three main postwar goals.

The first goal is the organization of a just and durable world



Picture of a man reaching a sensible decision



1 Gets word of an important meeting he has to attend—400 miles away.



2 Looks out at angry sky and ponders. How about that forecast of "storm center closing in"? Can't risk having his trip delayed.



3 Ponders some more. The car? How much further can he trust those retreads? Can't risk being held up along the way.



4 Remembers previous Pullman trip. Gets you where you're going on dependable railroad schedules. No worries—real comfort and relaxation.



5 Begins to beam as he anticipates another evening in the congenial atmosphere of the lounge car reserved for Pullman passengers.



6 Can't help yawning as he recalls the comfort of that big, soft Pullman bed. What a wonderfully refreshing sleep he had!



7 His decision? Pullman, of course! And you, too, can make Pullman reservations, just by picking up your phone and calling your railroad ticket agent.

GO PULLMAN

—THE SAFEST, MOST COMFORTABLE
WAY OF GOING PLACES FAST!

© 1946, THE PULLMAN COMPANY

peace built upon humane and orderly world economic relationships. For the success of all our international hopes, it is everywhere conceded that a high level of employment and production in the United States is essential.

Our second goal is the organization here at home of all our resources, our sound government policies and our abundance of human skills into a harmonious working pattern of production.

The third of our basic postwar goals is the maintenance of an adequate, effective and expanding demand for the goods and services we can produce. To organize our output and to ignore effective demand will clog the channels of our domestic trade, stop the wheels of industry, put back the No-Help-Wanted sign in the window and make prosperity fade away.

Fiscal policy and prosperity

TO reach these goals there is need to consider national fiscal policy as a principal means of helping us maintain a condition of high prosperity.

The importance of national fiscal policy in attaining and maintaining high prosperity is so great that some individuals even over-emphasize what fiscal policy can do, and give the impression that a sound fiscal policy by itself would be a panacea for all our economic ills. This, of course, is far from the case.

Measures of fiscal policy can clear the way and can facilitate. They cannot produce goods and services, they cannot give employment. They can create a situation in which high employment becomes possible as business, labor and agriculture find the way.

We must recognize that the objective of national fiscal policy is, above all, to maintain a sound currency and efficient financial institutions. Consistent with this basic purpose, fiscal policy should and can contribute a great deal toward obtaining a high level of productive employment and prosperity.

Federal taxes can be made to serve these four principal purposes of a social and economic character:

1. As an instrument of fiscal policy to help stabilize the purchasing power of the dollar.
2. To express public policy in the distribution of wealth and of income, as in the case of the

progressive income and estate taxes.

3. To express public policy in subsidizing or in penalizing various industries and economic groups.
4. To isolate and assess directly the costs of certain national benefits, such as highways and social security.

In the recent past we have used our federal tax program consciously for each of these purposes. In doing this we have used the tax program as a means to an end. The purposes themselves are matters of basic national policy which should be established, in the first instance, independently of any national tax program.

By all odds, the most important single purpose that federal taxes can serve is the maintenance of a dollar which has stable purchasing power over the years. Without the use of federal taxation all other means of avoiding inflation—such as monetary policy, price controls and subsidies—are unavailing. All other means, in any case, must be integrated with federal tax policy if we are to have tomorrow a dollar which has a value near to what it has today.

Taxes and purchases

THE war has taught the Government, and the Government has taught the people, that federal taxation has much to do with inflation and deflation, with the prices which have to be paid for the things that are bought and sold.

If federal taxes are insufficient or of the wrong kind, the purchasing power in the hands of the public is likely to be greater than the output of goods and services with which this purchasing demand can be satisfied. If the demand becomes too great, the result will be a rise in prices with no proportionate increase in the quantity of things for sale. This will mean that the dollar is worth less than it was before. This is inflation.

On the other hand, if federal taxes are too heavy or are of the wrong kind, effective purchasing power in the hands of the public will be insufficient to take from the producers all the goods and services that they would like to make. This will mean widespread unemployment.

Briefly, the idea behind our tax policy should be this:

Our taxes should be high enough

to protect the stability of our currency, and no higher.

Putting it another way, our taxes should be as low as they possibly can be without putting the value of our money in danger of inflation. The lower our taxes are, the more purchasing power will be left in the hands of the people—money they can spend for the things they want to buy, or that they can save and invest in whatever manner they choose.

When to balance budget

NOW it follows from this principle that our tax rates can and should be set at the point where the federal budget will be balanced at what we would consider a satisfactory level of high employment. If we set our tax rates any higher than this, we are reducing unnecessarily the money which private individuals will have to spend and to invest, thus making it more difficult to get to high employment and to stay there.

Since there is wide agreement that a satisfactory high level of postwar employment in the United States means a national income at present price levels of at least \$170,000,000,000, we should set our tax rates to balance the budget at a national income of \$170,000,000,000 and not at \$140,000,000,000 or some lesser figure. We do not want our tax system to work against us all the way up to high employment—in fact, we may never reach high employment if we set our tax rates too high.

Obviously, taxes should be reduced where reduction will do the most good in creating consumer demand and in encouraging private investment.

The first taxes that should be eliminated are taxes on consumption—except when these are imposed for regulatory purposes. If it is true that our prime objective is to increase the standard of living of the masses of the people, what better way can be devised than leaving with the people the income which is already in their hands? What method of getting purchasing power back to the people is politically as acceptable as leaving it with them in the first place?

Next, and to some this seems a curious conclusion, the corporation income tax should be abolished. Concurrent measures must be adopted to prevent use of the corporate form of doing business as a device to avoid payment of individual income taxes or as a means of building up unneeded and unused corporate surpluses, or to ob-



Test your word knowledge

of Paper and Printing



1. Monks and Friars

- Flooded and light patches in printing
- Illuminations in a manuscript
- Ascenders and descenders in Gothic type



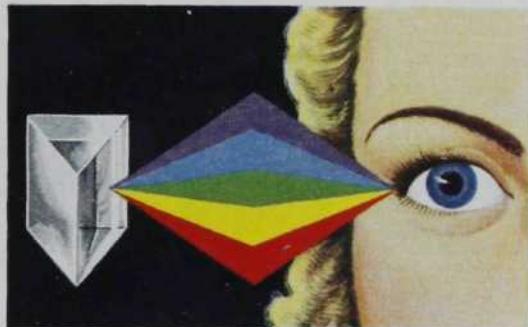
2. Printability

- A printer's ability to do fine work
- Legibility of type
- Property of paper which yields good printing



3. Soldier

- An itinerant pressman
- An exclamation mark
- Material for halftone anchors



4. Spectral Reflectance

- Phosphorescent quality in paper
- A measure of paper's opacity and color
- "Show through" in paper

ANSWERS

1 Monks and Friars—"Monks" are ink-flooded patches and "Friars" are insufficiently inked patches in a piece of printing. Avoiding uneven printing demands good presswork . . . and good paper, too. That's why many careful pressmen prefer to print on uniform Levelcoat.

2 Printability, in paper, is that property which yields good printing. It comprises receptivity, uniformity, smoothness, opacity . . . all qualities you find in Levelcoat.

3 Soldier is known to printers as a name for the exclamation point...and "Levelcoat" is known to printers as a trademark which represents fine quality printing papers.

4 Spectral Reflectance is one of the physical measurements important in determining the opacity and color purity of paper. And Levelcoat papers achieve a remarkable amount of spectral reflectance — a test of their high degree of opacity and surface luster.

Levelcoat^{*}
PRINTING PAPERS

If our distributors cannot supply your immediate needs, we solicit your patience. There will be ample Levelcoat Printing Papers for your requirements when our plans for increased production can be realized.



KIMBERLY-CLARK CORPORATION
NEENAH, WISCONSIN

*TRADEMARK

Ponce de Leon discovered the real "Fountain of Youth" in the tropical fruits of Florida!

Mr. Ponce Says: HERE'S SOMETHING REALLY DIFFERENT IN GIFTS...



GIFT NO. 10—\$24.25
Approx. 90 lbs. Large box of mixed Oranges, Grapefruit, Tangerines, Kumquats, Persian Limes, large sugar-loaf Pineapple, 1 lb. jar of Assorted Tropical Fruits in Genuine aged Liqueur, Handmade Jug of Orange Blossom Honey, Handmade Crock of Tropical Preserves, Bag of Extra Fancy Papershell Pecans, 1 lb. Jar each of Tropical Fruit Conserve, Mixed Citrus Fruit Marmalade, Orange Marmalade, Grapefruit Marmalade, 1 lb. Honeysuckle Candy.

GIFT NO. 8—\$13.25—Same size as above. Mixed available varieties of Oranges. Also Grapefruit, Tangerines, Kumquats, Persian Limes, and a large sugar-loaf Pineapple.



Approx. 54 lbs. Re-usable bushel size Basket of Oranges, Grapefruit, Tangerines, Kumquats, Persian Limes, 1 lb. Jar of Assorted Tropical Fruits in Genuine aged Liqueur, Handmade Jug of Orange Blossom Honey, 1 lb. Jar each of Pure Citrus Fruit Marmalade, Grapefruit Marmalade, Fruit Conserve, 1 lb. Box of Honeysuckle Candy.

GIFT NO. 4—\$17.25—Same size as above. Re-usable bushel size basket of mixed Oranges, Grapefruit, Tangerines, Kumquats, and Persian Limes.

Tree-Ripe, Luscious Fruits And Delicacies From The Sunny Groves Of Florida Guaranteed To Arrive In Perfect Condition



Cobbs YEAROUND TROPICLUB

Each month, for 12 months, Florida's Finest Fruits and Delicacies can be yours by subscribing to COBBS YEAROUND TROPICLUB. A different variety of Golden Fruits or other Florida Products brings the spirit of Christmas 12 times a year, or you may subscribe for any 9, 6, or 3 months.

DECEMBER, 1946—27 lb. Basket Assorted Florida Fruits. Will please everyone.

JANUARY, 1947—Colored jug of Florida Honey and Crock of Honey Fruit Jam.

FEBRUARY—Assorted Papaya Products Candy, Nectar, Jam. A new taste thrill.

MARCH—Package of Fresh Coconuts and 2 lb. bar of Chocolate Coconut Patties.

APRIL—27 lb. Basket Assorted Florida Fruits. A really glorious Easter basket.

MAY—Large Sugar-Loaf Pineapples and a 4 lb. Jar of delicious Pineapple Jam.

JUNE—Giant Hayden Mangoes. Aristocrats of all Tropical Fruits. "Ambrosia."

JULY—Beautiful 2 lb. Basket of Crystallized Mixed Florida Fruit Candies.

AUGUST—Basket of Limes for Summer Drinks and Jar of Preserved Kumquats.

SEPTEMBER—Box of Florida's Rich Avocados (Alligator Pears). Giant size!

OCTOBER—Four 1 lb. Jars Assorted Tropical Fruit Jam and Basket of Fruit Candy.

NOVEMBER—Our Famous Tropical Fruit-Nut Cake, Aged in Genuine Brandy.

12 Month Order (All Items) \$39.00

9 Month Order (Any 9 Items) 31.00

6 Month Order (Any 6 Items) 22.50

3 Month Order (Any 3 Items) 14.00



Orders should be in our hands by December 5th for guaranteed Christmas delivery. Unless immediate shipment is specified, delivery will be made for Christmas.

ALL ITEMS DESCRIBED MAY BE BOUGHT SEPARATELY.

Send for beautifully illustrated brochure of other assortments of COBBS fruits and delicacies.

ADDRESS

Cobbs

BOX 1 AH. LITTLE RIVER.
(MIAMI), FLORIDA



Approx. 27 lbs. Half bushel re-usable Basket containing mixed Oranges, Grapefruit, Tangerines, Kumquats, Limes, 1 lb. Jar each of Tropical Fruit Conserve, Orange Marmalade, and Guava Jelly.

GIFT NO. 1—\$4.25—Same size as above. Attractive half bushel re-usable Basket containing mixed Oranges, Grapefruit, Tangerines, Kumquats, and Persian Limes.

• All prices include express delivery charges prepaid by us. These gifts cannot be shipped into Arizona, California, or Texas. Prices conform to O.P.A. Terms: All orders must be accompanied by check or money order. References: Dun & Bradstreet, Inc., or any bank in the United States. We reserve the right to substitute when necessary, but always of equal or greater value.

From all parts of America, year after year, comes praise for Cobbs Gift Boxes of finest Florida Fruits and Delicacies.

"My thanks for your fine co-operation"

"It always pays to do business with a reliable institution such as yours."

"It is a pleasure to do business with a firm of your calibre."

"You certainly live up to your good name"

"I congratulate you on your fair dealing with your customers."

WHEN you consider the time and shopping inconvenience you can save, is it any wonder that thousands of people, year after year, rely upon COBBS to bring the delight of a tropical Christmas to friends, business associates and loved ones?

Here's all you have to do: Make your selections from the gifts shown here, and send us the names of those to whom you wish boxes delivered. Our tree-ripened fruit will be plucked from the groves, carefully packed with your greeting card enclosed and shipped **within 24 hours after picking**—to arrive before Christmas, satisfaction guaranteed. More than a million gift packages have been shipped to enthusiastic recipients during the past decade. Remember, we are the largest Packers, Shippers, and Manufacturers of tropical gift fruits and delicacies in America.

tain tax advantages over unincorporated businesses.

As a matter of fact, after sales taxes and excises, the corporation income tax weighs most heavily on the standard of living of the people, and at the same time obstructs the flow of savings to investment.

It is impossible to know exactly who pays how much of the tax on corporation profits. The stockholder pays to the extent that the return on his investment is less than it would be if there were no tax. But, it is equally certain that the stockholder does not pay all the tax on corporate income—indeed, he may pay very little of it. After a period of time the corporation income tax is figured as one of the costs of production and gets passed on in higher prices to consumers, and in lower wages to workers.

Taxes are expenses

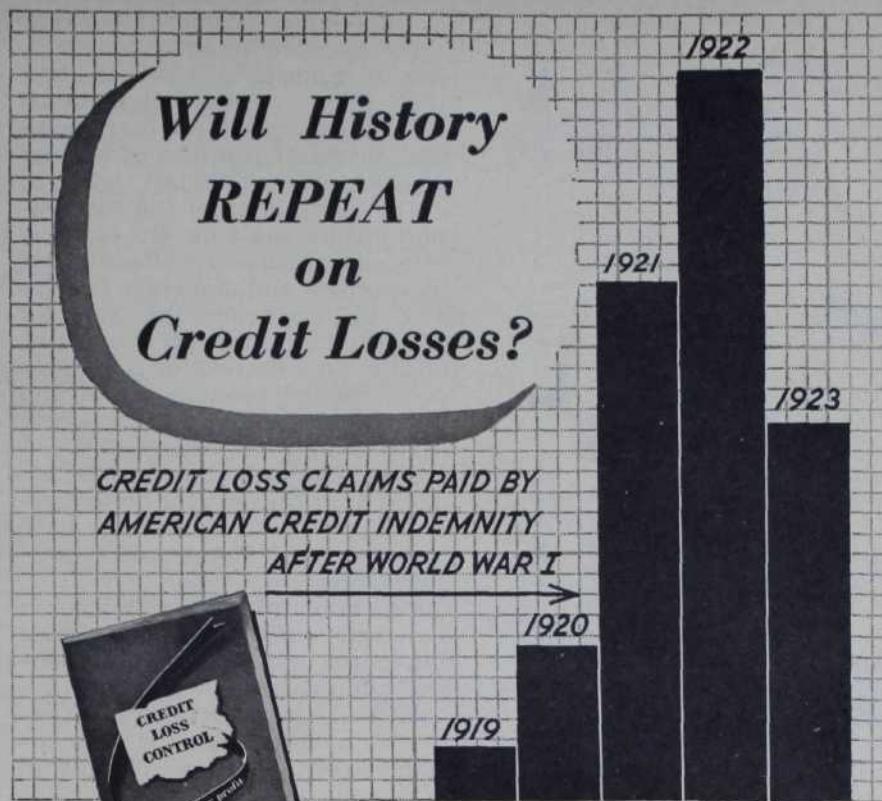
THE reasons for this must be clearly understood:

In the operations of a company, the management, directed by the profit motive, keeps its eye on what is left over as profit on its invested capital. Since the corporation must pay its federal income taxes before there are any net profits, taxes are thought of—the same as any other uncontrollable expense—as an outlay to be covered by higher prices or lower costs. Since all competition in the same line of business is thinking the same way, prices and costs will tend to stabilize at a point which will produce a profit, after taxes, sufficient to give the industry access to new capital at a reasonable price.

When this finally happens, as it must if the industry is to hold its own, the federal income tax on corporations will have been largely absorbed in higher prices and in lower wages—a tendency in the wrong direction and harmful to the public welfare.

Can the Government afford to give up the corporation income tax? This really is not the question. The question is: Is the corporation income tax a favorable way of assessing taxes on the people—on the consumer, the workers and investors—who, after all, are the only real taxpayers?

It is clear from any point of view that the effects of the corporation income tax are bad effects. The public purposes to be served by taxation are not thereby well served. The tax is uncertain in its effect with respect to the stabilization of the dollar and it is inequitable.



LOOK AT THE RECORD :::
THEN SEND FOR THIS BOOK
ON "CREDIT LOSS CONTROL"

FAILURES MULTIPLIED after World War I. As one result . . . in just three years . . . credit losses paid by American Credit Insurance jumped to more than 20 times the 1919 figure.

WILL HISTORY REPEAT? No one knows. But your sound business judgment will tell you that your accounts receivable are valuable assets at all times . . . subject to risk at all times . . . should be protected at all times.

FOR THAT REASON . . . manufacturers and wholesalers in over 150 lines of business carry American Credit Insurance . . . which **guarantees payment** of accounts receivable for goods shipped . . . pays you when your customers can't.

"CREDIT LOSS CONTROL" . . . a timely book for executives . . . may mean the difference between profit and loss for your business in the months and years of uncertainty ahead. For a free copy address: American Credit Indemnity Company of New York, Dept. 41, Baltimore 2, Maryland.

J. F. McFadden
PRESIDENT



**American
Credit Insurance**

*pays you when
your customers can't*

OFFICES IN PRINCIPAL CITIES OF UNITED STATES AND CANADA



- IDEAS — carefully selected and *planned* ideas . . . there's the reason for Household's irresistible allure to 2,000,000 homemakers. Over 150 nourishing ideas fill the pages of each issue of Household—touch on every vital phase of small city and town living—invite and get action in a *home* market where 66% of all non-farm single family dwellings are located.

Yes, it's this unique idea-planned editorial content that makes Household the No. 1 magazine of action in America's rich small city and town market.

If you want to cash in on this reader action (last year there were 179,711 requests for beauty leaflets alone) put your advertising in Household.

HOUSEHOLD

A MAGAZINE OF ACTION *Streamlined*
FOR SMALL CITIES AND TOWNS
CAPPER PUBLICATIONS, INC.
TOPEKA, KANSAS

table as part of a progressive levy on individual income. It tends to raise the prices of goods and services. It tends to keep wages lower than they otherwise might be. It reduces the yield on investment and obstructs the flow of savings into business enterprise.

The elimination of the corporation income tax from the tax system will increase the effectiveness of our fiscal and monetary policies and, by broadening markets for goods and services, will strengthen business for its task of producing goods, providing employment and giving the people a place where their savings can be invested.

Once the tax machine is remodeled in the postwar period, every effort should be made to keep the tax system simple and understandable.

Constant tinkering with the tax structure only serves to produce confusion, uncertainty and expensive administration.

Although we must accept the existence of deficits in times of unemployment, they will be only in proportion to the emergency. The tax policies suggested do not contemplate permanent budget deficits.

cits as a necessary element in the economy. On the contrary, they allow for the possible overexpansion of private business activity which would be checked by public debt retirement. These policies do not require, nor do they justify, spending for its own sake, nor do they approve wasteful expenditure.

Business wants a federal fiscal policy that will help it create good products, good jobs and good investments.

Business does not expect a national fiscal policy to do its work for it. It does ask for cooperation in maintaining a flow of purchasing demand that will have some general relation to what agriculture, labor and business are able to produce and to distribute.

With such a flow of purchasing demand, we can avoid regimentation, maintain a high level of employment and raise the standard of living to new heights for all the people.

With such a flow of production and purchasing demand we can foster the spirit of enterprise in the individual citizen. This is the strength of America and the hope of a peaceful, prosperous world.

Mrs. Veal's Apparition



ONE OF the strangest literary hoaxes on record occurred at the beginning of the eighteenth century.

A London bookseller complained to Daniel De Foe, author of "Robinson Crusoe," that the book, "Drelincourt on Death," wasn't selling very fast.

De Foe promised he would do what he could to help and wrote a story entitled, "True History of an Apparition of one Mrs. Veal, the Next Day after Her Death, to one Mrs. Bargrave at Canterbury, the 8th of September, 1705."

The story was published in pamphlet form, immediately became

the talk of the town. De Foe's story was as homely and as matter-of-fact as its title. For instance, he had the apparition wearing a washed silk dress.

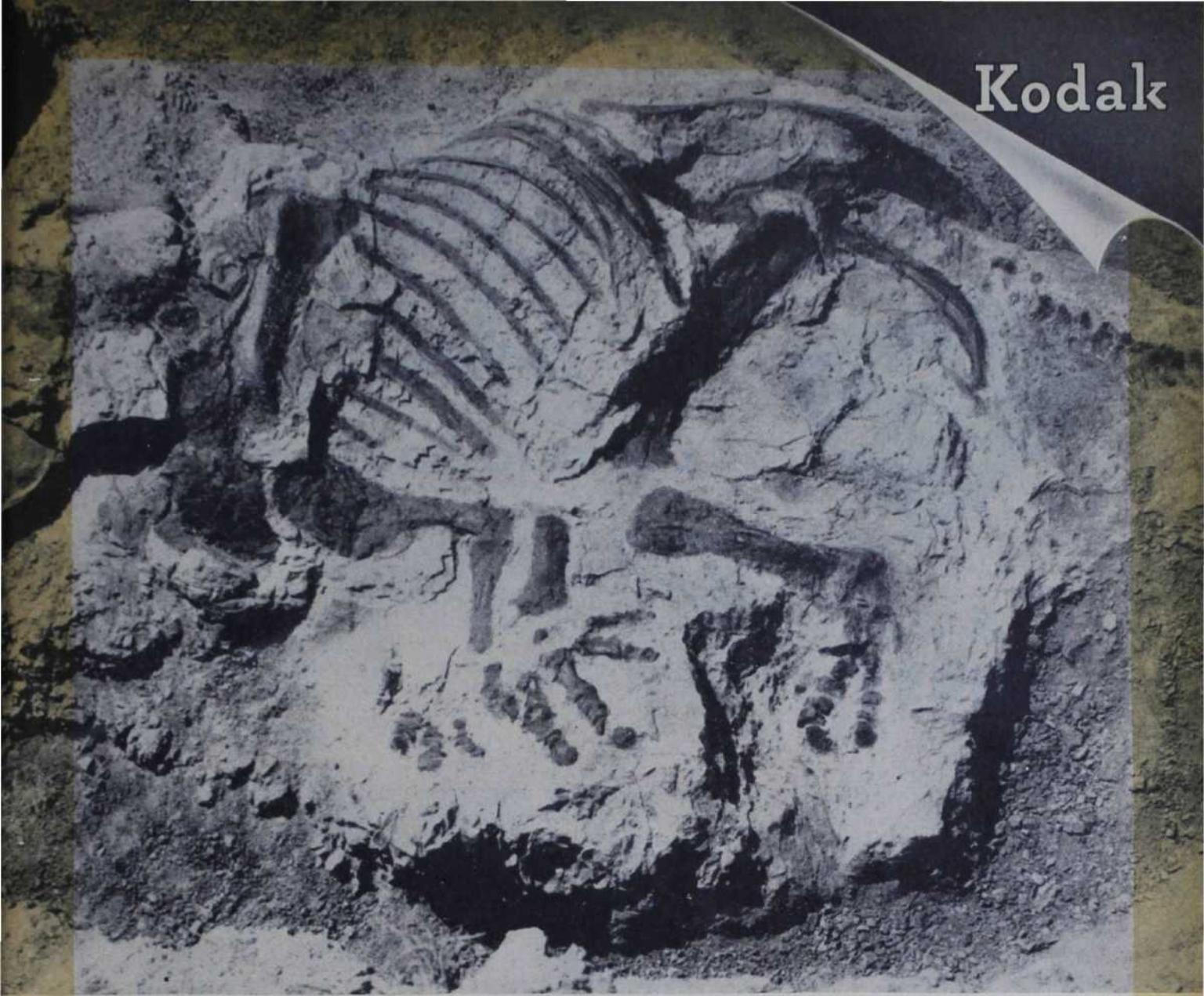
The upshot was that the people accepted this bit of fiction as the literal truth.

Now, in the course of conversation with "Mrs. Bargrave," the ghost casually mentions—and this, of course, was the purpose of De Foe's pamphlet—that the truest observations ever made about death had been made by Dr. Drelincourt in his book.

Immediately, "Drelincourt on Death" became in great demand. All books on hand were sold out at once and "Drelincourt on Death" subsequently went through 50 editions, making a fortune for the bookseller and the publisher.

As the years went by, "Drelin-court on Death" became forgotten, but the apparition of Mrs. Veal never quite got itself properly buried, and even in recent times occasionally someone has spoken of the apparition as if it were something that really happened.

—HAROLD HELFER



Kodak

Because of photography's mobility...

THIS FOSSIL was big... and fragile... and far away. Yet here it is... intact... because of photography's mobility.

Mobility: isn't this a characteristic of photography that today's fast-moving business and industry could make good use of? Indeed it is. And here are some of the ways leading executives are using it. They're utilizing...

Photographic illustrations . . . to bring product and prospect face to face.

Recordak . . . to transport condensed copies of documents to branch offices.

Photo Layout . . . to move layouts and drawings from drafting board to metal faster, more accurately.

Record photography . . . to bring accident scenes into the courtroom.

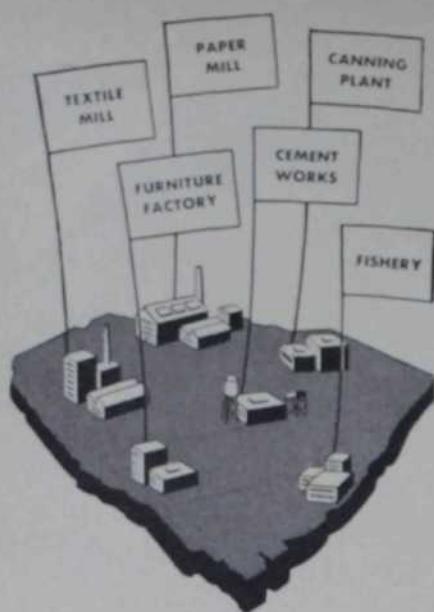
Motion pictures and slide films . . . to abolish the distance between manufacturers and markets.

Radiography . . . to bring subsurface conditions up where they can be seen.

In our booklet, "Functional Photography," you'll find other ways photography can be helpful . . . because of its mobility. Write for your free copy.

Eastman Kodak Company, Rochester 4, N. Y.

Functional Photography is advancing business and industrial technics

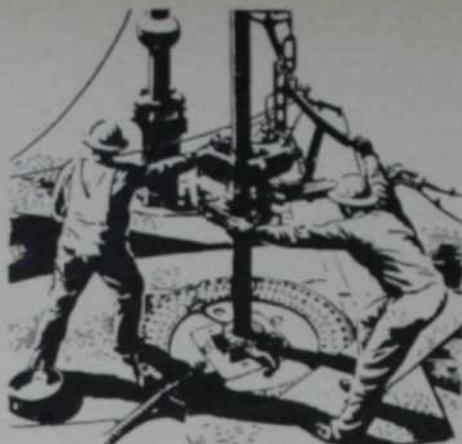


Sites to See ...FIRST!

From any site in South Carolina, you can see years into the future — a healthy, profitable future for yourself, your workers and your business. See these sites first, save the trouble of looking elsewhere. Opportunities are exceptionally good for textile, cement, food processing, furniture, paper, plastics, rayon and allied industries, but most businesses can benefit from South Carolina's dependable workers, moderate taxes, good roads and pleasant, unhurried tempo. We'll suggest sites for your business, supply accurate data about resources and markets. Write State Research, Planning & Development Board, Dept. J, Columbia, S. C.

South Carolina

WHERE RESOURCES AND MARKETS MEET



Canada Looks for Oil

CANADA, the second highest per capita user of oil, is trying to extract larger quantities of petroleum buried in the foothills of the Canadian Rockies. Extensive plans are underway to find new ways to boost production which last year amounted to more than 8,500,000 barrels valued at approximately \$14,000,000.

The Dominion produces less than one-fifth of the world's annual production and only 15 per cent of its own requirements. Yet government geologists of both Canada and the United States point out that Canada has the greatest oil reserves on earth locked up in bituminous sands in northern Alberta. This reserve is estimated at from 100,000,000,000 tons to 250,000,000,000 tons, according to the official Canadian government *Year Book*.

Most of Canada's oil has been coming from the Turner Valley area near Calgary, Alberta, where supplies have been declining. Engineers recently exploded 5,000 quarts of nitroglycerine in wells far underground here in the hope of freeing deep lying pools of oil which could not be tapped by ordinary methods of drilling.

New fields opened

IN addition to the Turner Valley field, new developments have been opened in recent years in the Vermilion-Lloydminster area, 120 miles east of Edmonton; the Princess field, 120 miles east of Calgary; the Ram River area, 100 miles west of Red Deer in the foothills of the Rocky Mountains; the Jumping Pound field 20 miles north of the Turner Valley field and 20 miles west of Calgary. This last field is considered by experts the

best bet in Canada because of its proximity to the Turner Valley area.

Small quantities of petroleum also are being taken from wells in Ontario and New Brunswick, in eastern Canada, and in Saskatchewan in the west.

Oil in the far north

DURING the war the most publicized of Canada's oil fields was that at Norman Wells, on the Mackenzie River, south of the Arctic Circle. As a defense project the United States and Canada developed the Canol project at wells which first were drilled here in 1921 by oil men flown in in World War I aircraft.

This oil field is supplying the mining settlements in the Great Bear Lake and Great Slave Lake areas. Steel barges are used to carry oil to the mining properties located along the Mackenzie River system.

The Canadian Government has spent vast sums in helping companies develop western oil fields, doing much geological, mapping and survey work necessary for preliminary testing. This was continued this summer with the sending out of additional survey parties. The peak effort of the government was made during the war when it was essential to find new oil sources.

Canada is pressing the search so that domestic needs can be filled to a larger extent than at present, when the bulk of the fuel used comes from the United States, Colombia, Venezuela and Ecuador. The imported as well as domestic petroleum is refined largely for gasoline, fuel oil and the synthetic rubber industry.

—JAMES MONTAGNES

Clipped Speech—A New Field

By HARRY BOTSFORD

FOR years clipping services have been doing a good business snipping items from the daily press and magazines about celebrities of the stage, screen, sports and business worlds. It remained for one man to carry that idea into radio.

Today there is Radio Reports, Inc., in New York City, which does nothing except provide persons, on request, with information about any broadcast—from the commercial to the complete program. This service is not intended for people in radio exclusively, but is available to anyone who can buy it.

Specifically, the organization makes recordings of any program requested by a client, transcribes programs of the type known to be in demand, and checks other broadcasts for material to go into a daily report on the last 24 hours' radio activity.

Radio Reports, the brainchild of Edward F. Loomis, a New Yorker, is now in its tenth year. It devotes itself to covering any radio speech, commentator or program, in much the same way that a newspaper reporter would cover an assignment. The difference is in the thoroughness of the coverage and in the methods used.

A program on which information may be sought by a client is recorded by trained workers. More than 10,000 programs are recorded each month and the firm's files contain a half million recordings.

Stenographers fail

WHEN Loomis got his idea he thought that a qualified stenographer could sit before a radio and take down a broadcast verbatim. It didn't work out that way—even when he tried using two stenographers. After their notes were transcribed it was found that statements differed. There was only one answer—and that was to listen to the broadcasts and make recordings that later could be transcribed. It was an expensive method, but virtually foolproof.

The standard clipping services have only to turn to the newspapers, magazines and other publications for their product because print is imperishable. In radio, however, it is a different proposi-

tion: the spoken word, unless inscribed on a platter, is as elusive as the wind.

With the growth of radio during the last ten years, Radio Reports, too, has had to keep pace. It employs a battery of men and women to monitor the hundreds of programs and make a record of millions of words that are poured out over the air. Besides recording these facts, the organization gets out a crisply-worded digest of views on important public affairs broadcast by commentators, casual speakers and participants in forums and news dramatizations.



In charge of this digest, as editor, is Dick Rieber, a veteran newsman. It is Rieber's job to coordinate, condense into capsular form the gist of the day's radio comments, to be issued to clients in mimeographed form.

A shrewd industrialist some time ago accepted an important government post, wondered what the commentators thought of his acceptance. He placed a blanket order with Radio Reports covering every mention of his appointment. It cost him approximately \$2,000, but the comments were so generally favorable that they gave him courage to tackle the job.

Foreign diplomats and their commercial representatives experience considerable difficulty in understanding what Americans are thinking about. They sometimes

suspect that much of what goes out over the air is sinister propaganda. Files of Radio Reports show that many of these people are avid readers of the information made available to clients, and take a generous slice of the 208,000,000 word annual cake.

Report proves point

DURING one of the big labor strikes some months ago, the semi-official board of strategy, composed of executives of the industry, met to discuss a labor broadcast of the previous night. They found that they couldn't agree on what had been said. A secretary was instructed to get the Radio Reports' transcript.

They read it, looked sheepishly at one another. They all had been wrong in their views. The men were top-flight executives, but a \$5 transcript had made them look bad.

There also is a brisk demand for transcriptions of radio commercials. The demand is such that Radio Reports employs listeners in virtually every key city, who do little more than check and transcribe commercials in their areas.

Why? Because a national radio campaign, in whole or in part, must depend on local announcers to do the commercials. The sponsor wants to know just how the announcer on the chain station handles the commercial. The only way in which he can get a clear picture is through Radio Reports.

The recording side of the business is done on small plastic platters costing only nine cents apiece, but the facts or statements inscribed on their faces usually deal with firms and sponsors whose aggregate worth in the financial world runs up into the billions. These little platters carry a 15-minute program on one side. While the cost of the platter is small, the material on one of its sides may have cost the sponsor thousands of dollars and represent thousands more to him in information recorded by Loomis.

It's truly a business of small platters, but the business behind the platters would be described as big in any man's estimate.

How to Go Broke in Business

(Continued from page 46)

representative held a conference and induced them to compare names on their order books.

As had been anticipated, townspeople had placed orders for identical appliances with all of the stores. It was obvious that they meant to accept delivery from the first dealer who could fill their orders.

It may easily be imagined what might have happened if each of the six dealers had accepted goods on the assumption that they were sold in advance. The awakening in this community came in time to avert certain failures and heavy losses. A few dealers made plans to try their luck in other merchandise lines.

Auto orders may fade away

THIS situation is not peculiar to the appliance field. Thousands of new car orderers placed deposits with two or more dealers, intending to accept delivery on the first car available.

Many of these duplicate orders were not cancelled because even when one car had been delivered, delivery was accepted on a second or third car. The "extra car" could be sold at a premium to a friend or on the black market.

This hardly is the foundation of a very healthy business. In one Long Island community it was found that duplication of orders among automobile dealers ran as high as 50 per cent.

This was quite understandable. The \$50 or \$100 deposit of the "speculator" was a long-odds wager at a time when a new car might bring as much as \$750 more than its OPA price.

Looking on the other side of the fence, one finds automobile dealers still in a precarious position. Burdened with overhead expense and starved for cars, they are finding a boom market is no boon to the legitimate dealer if he can't obtain cars in sufficient numbers to participate in the boom.

New enterprisers in any line should be sure they can count on a steady flow of ample stock-in-trade.

Production, of course, is making headway and if serious strikes do not materialize, supply soon may cease to be a stumbling block to new enterprises.

If you're planning to open a

store, how will you go about choosing a location? If you blunder into a high rental zone you may find you haven't enough capital to buy equipment and stock.

Suppose you have been fairly successful in a small community where competition was limited. Will you enjoy equal success when you try to compete with stores that have the advantage of established patronage, ample resources and more favorable relations with suppliers?

Before you commit yourself to a lease you should ascertain whether the kind of store you contemplate is superfluous. If it will be another store too many, it will be an unwise venture unless you have excellent reason to believe you can preempt your competition.

Too few new enterprisers investigate such matters as nearby population, employment and bank clearings; make certain that an opening actually exists; weigh the



"I should worry. I'm getting 75 cents an hour"

competition; acquire an intimate knowledge of the shopping public; or take the trouble to find out how residents will react to the idea of a new store.

Even fewer enterprisers tap the wealth of information available at the local chamber of commerce, banks, utilities, real estate brokers, builders, property owners, non-competitive businesses, and wholesalers.

In a large midwestern city before the war, two experienced men opened a hardware business. They were able salesmen with large per-

sonal followings, and had a lion's share of the better known brands.

In their first year they did a business of more than \$400,000—and went broke. It seems that neither had learned that mark-up is based on selling price—not cost.

The more business they did, the more they lost. If you think they were unique in this respect, you're wrong. Safe-and-sound control and bookkeeping systems are as essential to businesses as goods or customers.

In Chicago, a highly successful department store chain leased store premises in the downtown area to operate a ready-to-wear unit. Despite skillful management, the unit failed.

Because of the store's limited dimensions it was impossible to handle sufficient business to meet overhead expenses. Practical store plans, fixtures and layout are vital.

A building can bankrupt

A FIFTH Avenue store went broke during the '30's because its principal owner disregarded the advice of store architects and insisted on plans which he had drawn according to his aesthetic ideals.

When the store was completed it was found to violate a number of building construction regulations. It cost thousands of dollars of needed working capital to make the required alterations. The depression happened along, and the merchant's vanity cost him his business.

We cite these instances to suggest that failures are not limited to tyros.

Frozen food stores are mushrooming forth in many cities. The question of how many will endure will be answered in time. Many experienced food distributors believe that stores handling frozen food exclusively will have tough sledding.

They reason that few housewives will make a separate shopping trip to a store to buy frozen food if that item also is sold at their general market.

Radio shops are becoming as thick as flies at a picnic. At the start, these shops took in any and every brand. They were confident that if customers couldn't get the makes of their choice, they would take what could be had.

As a consequence, thousands of these shops are beginning to find secondary lines accumulating on their shelves. Customers compelled to wait four to five years, don't seem to mind waiting a few months



THREE REASONS WHY ROYALS ARE A BETTER BUY FOR YOU

1.

GREATER EFFICIENCY!

Royal has *more work-saving, time-saving* features than any other typewriter. Result: Royals can deliver *more letter-production* per machine. This is a fact. Call in your Royal representative—and be shown the proof—in an actual Royal demonstration!

2.

GREATER DURABILITY!

Royals are the *sturdiest* typewriters engineering science has produced. Because of this fact, Royals *stand up longer*, spend *more time* on the job, *less time* out for repairs. Result: Royals cut stenographic work losses to a minimum, give you the *maximum return* from your typewriter investment.

3.

FAVORITE WITH TYPISTS!

A national survey made among hundreds of business girls shows that Royal is the preferred typewriter—*2 to 1 over any other typewriter*. Your stenographic staff will do *more and better work* on machines they prefer to use. Order Royals!

ROYAL

World's No. 1 Typewriter





THE Communist AND THE Termite...

WOULD YOU recognize a termite if you saw one?

Chances are you wouldn't . . . even if they'd already weakened the walls of your home.

How about a Communist?

Like termites they threaten the very foundations of your community and country . . . and like termites they work in the dark, boring from within.

But chances are you couldn't tell the reddest Red from the most upright citizen in your community . . . that is unless you knew how he operates, where to look and what to look for.

Here is a booklet which tells you and recommends seven definite measures to defeat communistic aims. Send for your copy of *Communist Infiltration in the United States* today!

Economic Research Department
Chamber of Commerce of the U. S. A.
Washington 6, D. C.

Please send _____ copies (at 25c per copy, quantity discount available) of *Communist Infiltration in the United States*. I attach \$_____.

Signature _____

Street Address _____

City _____ Zone No. _____ State _____

longer to get the brands they desire.

Price slashing that ordinarily accompanies such an eventuality overnight can reduce the value of one's inventory as much as 50 per cent. The retailer so stricken won't be in a favorable credit position to climb out of his predicament by substituting the desired brands.

During the war durable goods were either scarce or unobtainable. Consequently, spending was diverted to soft lines, and large numbers of women's apparel and accessories shops were opened to the tune of clinking cash registers.

Back in 1939, millinery shops had a median age of seven years, ready-to-wear shops six years and fashion accessories shops five years. When you compare these average lives to that of department stores—39 years—you get the idea that the fashion trade is fickle, and its life may be sweet but also short.

Money may be made in selling fashion goods, but statistics indicate relatively few retailers achieve business longevity.

Shorter hours; more capital

UNTIL you open your own business, the fact that labor is working shorter hours and drawing more pay won't interest you overmuch. But the day you open for business, it assuredly will. Not that you begrudge labor its due, but because it means that you will have to do that much more business to have something left over.

Retail trade today is largely on a cash basis. Turnover is rapid and operating capital requirements are unusually light. As supply becomes more abundant, working capital needs will grow apace.

Trade portents point to a substantial expansion of credit sales during 1947. New stores that haven't the financial resources to carry such business, or find themselves unable to make satisfactory financing arrangements, will be at a tremendous disadvantage.

If they fly in the face of caution and overextend themselves they may easily sell themselves out of business. No store can obtain credit to the full extent of accounts receivable, and if its resources are tied-up in customer credit, it can expect to sweat out a considerable period of "out of stock."

This danger doesn't confront stores only at a time when credit sales are flourishing. A store that sells on longer terms than it buys actually can sell itself out of business even in times like today.

If it permits sales to run away

with its working capital and exhaust its credit, it soon will find itself unable to meet such obligations as rent, wages and services.

Each additional purchase enhances the store's liability. At the same time, inventory appreciation encourages speculative buying. A sudden or sharp break in prices can convert a going business into a gone one.

While supply is limited, skilled labor scarce and materials short, there is little danger of a too-rapid rise in the number of new enterprises. The restrictions on commercial construction are additional obstacles.

Overcrowding in some lines should not obscure the fact that others continue to present opportunities. These opportunities, however, should be weighed in relation to one's own community.

For example, while there are fewer filling stations and eating and drinking places than there were before the war, one's own community may be surfeited with both types of enterprises. On the other hand, although there are more home furnishings stores than there were in 1941, every locality is not necessarily without openings for that kind of business.

The type of business most needed in a community is the business most likely to succeed if the new enterpriser possesses the prerequisites which have been enumerated.

Nobody contemplating a new venture can afford to overlook any of the booby-traps that await him. A poor location, an unwisely selected stock, insufficient capital or bank and trade credit are some of the pitfalls.

As a last thought, would-be enterprisers should be sure they are willing to sacrifice many things for their business independence.

There are no 40 hour weeks for bosses, and there never is a quitting time for their responsibilities. If a man runs a store, his bosses are the customers, and usually they are far less understanding and tolerant than the most exacting employer.

The majority of small business enterprisers invest most, if not all, of their worldly capital in their businesses. Failure means the loss of capital which may have taken years to accumulate.

The foregoing is not intended to frighten would-be enterprisers. Business independence is well worth the risks, effort, worry and responsibilities. But it is not an independence won easily, nor one long enjoyed if one forgets that competition is everlasting.

"It is not the finding of a thing, but the making something out of it after it is found, that is of consequence"

—JAMES RUSSELL LOWELL



Why some things get better all the time

TAKE THE MODERN ELECTRIC LIGHT BULB, for example. Its parts were born in heat as high as 6,000° F. . . . in cold as low as 300° below zero . . . under crushing pressure as great as 3,000 pounds per square inch.

Only in these extremes of heat, cold and pressure did nature yield the metal tungsten for the shining filament . . . argon, the colorless gas that fills the bulb . . . and the plastic that permanently seals the glass

 to the metal stem. And it is because of such materials that light bulbs today are better than ever before.

The steady improvement of the electric light bulb is another instance of history repeating itself. For man has always had to have better materials before he could make better things.

Producing better materials for the use of industry and the benefit of mankind is the work of Union Carbide.

Basic knowledge and persistent research are required, particularly in the fields of science and engineering. Working with extremes of heat and cold, and with vacuums and great pressures, Units of UCC now separate or combine nearly one-half of the many elements of the earth.

UNION CARBIDE
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Products of Divisions and Units include—
ALLOYS AND METALS • CHEMICALS • PLASTICS
ELECTRODES, CARBONS, AND BATTERIES
INDUSTRIAL GASES AND CARBIDE

Buyers' Watchdogs Bark Again

(Continued from page 57)
abattoir. Mr. Schlinck and his aides have mostly erected the buildings themselves. The office building is a two-story structure of native stone. There are three "laboratory" buildings which could be farm structures, and a small brick building which serves as a staff lunch and recreation room and can house overnight guests.

Mr. Schlinck is well known in academic and scientific circles and has quite a few visitors. He has built himself an unpretentious home atop what goes for a mountain a couple of miles away, and lives there with his wife. He gives the impression of enjoying life immensely. He gets \$7,000 a year, he said, and the only thing he seemed reluctant to discuss was the enterprise's seeming annual take of at least \$250,000. Like Consumers Union, he, too, has a board of directors. He quit issuing financial statements, he explained, because nobody paid any attention to them.

Expenses not revealed

HE WAS not prepared to say just how much money is spent annually in the purchase of articles for testing, how much is paid to other laboratories, how much is left over. He intimated that the reason for this was that the business of consumers' services has been rather haphazard during the war. He insisted, however, that all the excess funds go into improving the service such as the buying of more articles to test and the steady acquisition of his own testing devices. His promotional literature points out that, in its earlier stages, the enterprise had little but Mr. Schlinck's own knowledge, together with that of his friends in scientific and academic circles.

Some 50 persons are now employed of whom five are listed as "scientific and technical experts and editors." The "scientific and technical experts" are young men only a few years out of college and getting, according to Mr. Schlinck, "about what a young college instructor would get."

I saw one of the young men at work. He was testing a safety razor blade on a machine devised by

Mr. Schlinck. It resembled a sewing machine. The blade was placed to cut a piece of paper. The machine formed an electric circuit and while the blade was cutting, a meter clinked every few seconds. When the blade cut through the paper, the meter quit clinking. It registered less frequent clinks as the blade became dull. In this way, the young man determined its durability. Blades about which there is still some doubt, are also given, according to Mr. Schlinck, a "use test by a shaving squad." I didn't see this.

Test for linoleum

THEN there was a machine also devised by Mr. Schlinck that resembled an old wooden treadmill to test linoleum. There are two wheels about a foot high which turn on arms affixed to a vertical rotating shaft. They are equipped with close-fitting flat tires made of rubber canvas belting; they run on a circular track about seven feet in diameter. The track is made up of 19 wooden sections. Each block of wood carries a single piece of linoleum or enameled floor covering about five by nine inches. An abrasive of fine white sand passing a 60 mesh sieve and retained by a 120 mesh sieve is placed over the blocks. A clock is connected to show the time which the test runs, and a mechanical counter shows the total number of revolutions of the vertical shaft and wearing wheels.

In this way Mr. Schlinck said he is able to compare different pieces of linoleum. He said that at least two linoleum manufacturers asked for detailed information about the

contrivance and one has copied it for use in making its own tests.

There is Mr. Schlinck's own device for testing the damage to felt hats caused by bending which he said had been adopted by a large hat testing laboratory. His other creations include a device to test the efficiency of household electric motors—leakage, shock hazards, fuse blowing potentialities—and a heavy roller press to squeeze mattresses to determine their wear and tear resistance. His workshop resembled a hardware store with a scattered stock of vacuum cleaners, all sorts of electric kitchen devices, even plain pots and pans, radios and the like.

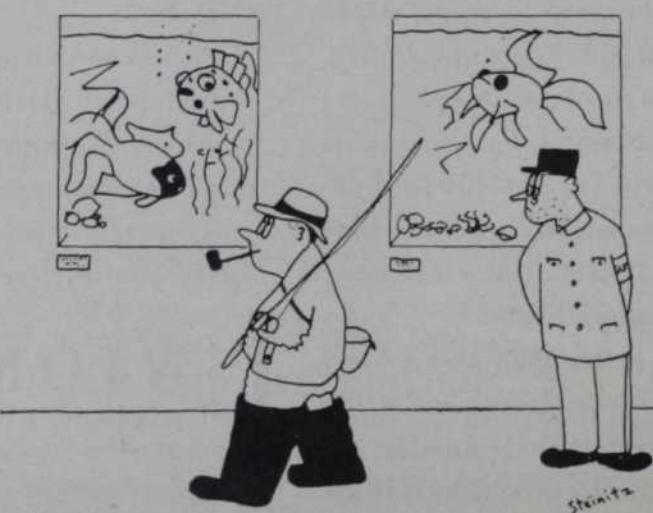
Some of the testing is quite simple. For example, an ironing board. Mr. Schlinck has found out and reported that a woman of certain height should have an ironing board of a certain height. How did he find that out? Why, by having women employees of varying heights stand at ironing boards of varying heights and report on their comfort.

Arguments for and against

HIS promotional literature and his reports include no suggestion that the manufacturer is trying to rook the public, except occasionally when he comes across what he considers a phony. What he has primarily to offer, though his promotional literature might convey an impression of more, is the judgment of an informed purchaser. Two women will discuss why they prefer one brand of washing machine over another. Mr. Schlinck gives his expert opinion, describing how the two machines are made, what he considers the good points of one, the bad points of the other.

He recently reported that, although a certain washer gave more service than another, the latter got the clothes cleaner. Quite by accident I heard of a North Carolina tax accountant and his wife discussing this report. The wife insisted she still preferred the first because of the additional work it did. If necessary, she said, she would run the clothes through twice. Presumably this would be quite all right with Mr. Schlinck.

To give this service, he readily agreed that his own laboratory was incidental. He was not prepared to say how much,



over a given period, he spent with large commercial, government or college laboratories, but both he and Miss Ross placed great stress on their libraries and their consultants. Mr. Schlinck's consultants are mostly college professors with available laboratory equipment. He will have a professional friend make a study of an article and write a report on it. He pays the professor so much per word, much as a magazine editor might pay for a story.

Other reports for reference

HIS library is a collection of the thousand and one reports prepared by trade organizations, industries, scientific societies, government agencies, particularly the Federal Trade Commission and the Department of Agriculture, the agricultural experiment stations with which the country abounds, together with the hundreds of trade publications, which deal with every facet of our economy, and with every conceivable marketable product.

Mr. Schlinck said the bulk of his clients are people in academic circles, who must keep up with economics. Miss Ross said a large number of Consumers Union subscribers are wage earners.

Nearly every report of both organizations contains corrections on previous reports. On one occasion, at least, Consumers Union appeared to be considerably red-faced over an experience it had with a standard brand of peas. It sent a can off to the Department of Agriculture for analysis. According to Consumers Union, the Department of Agriculture chemist reported the can contained "five nightshade buds." Consumers' Union went into action. It reported to its readers that "nightshade buds" were the same as belladonna, a "dangerous poison."

"A few ripe buds of the nightshade plant can cause death, after hours of delirium, vomiting and convulsions," Consumers Union reported.

The organization reported it had gotten in immediate touch with the New York office of the Food and Drug Administration, and that that organization was moving quickly against the provenders of this deadly poison in peas. It turned out that the "nightshade plant" is quite prevalent in the Pacific Northwest among growing peas and that it is next to impossible to keep a bud or so out of a can of peas, but that the buds are quite harmless. The poisonous bella-

"WHY CAN'T FOLKS GET ALONG BACK THERE?"



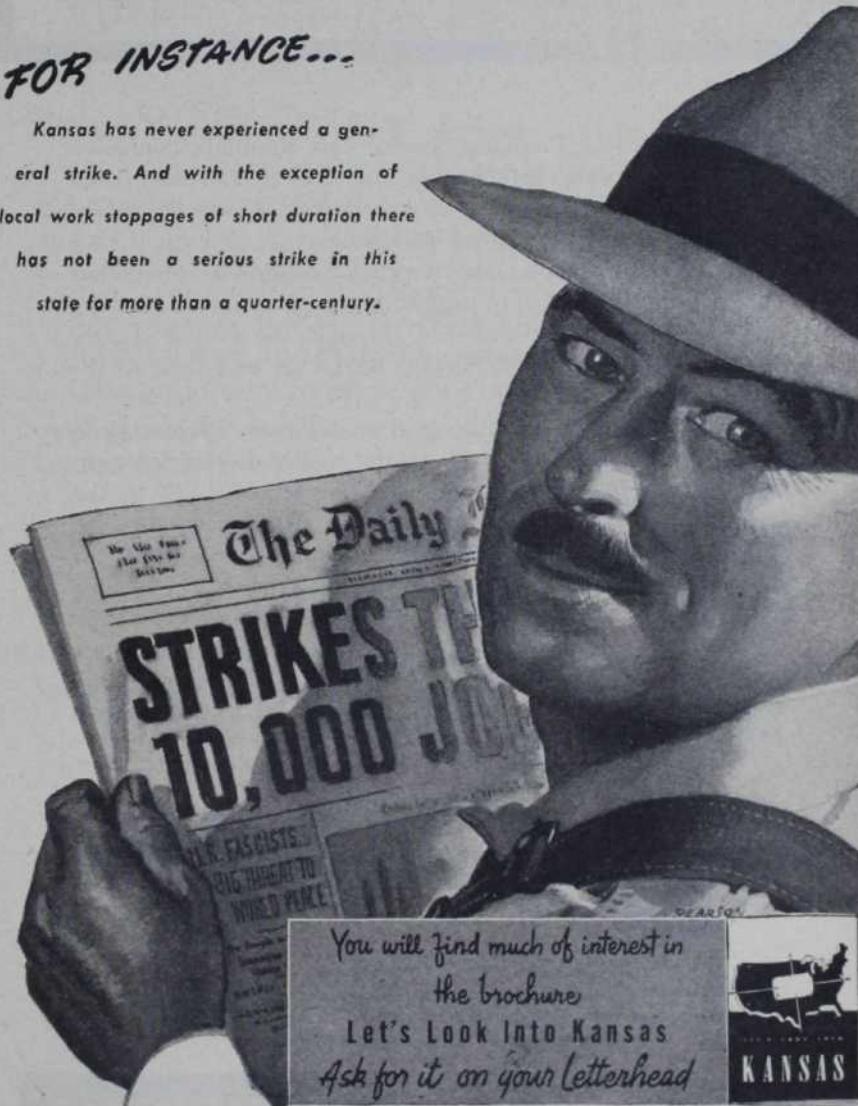
Kansas people are accustomed to work . . . work before pay. Rural in origin, they realize that harvest follows effort and that the bounty of the harvest is not greater than the effort and planning that precede it.

It may be environment, it may be heredity. But the people of Kansas . . . sons and grandsons of sturdy

pioneer settlers . . . are prone to do their own thinking. They simply cannot understand how independence of personal decision can give way to acceptance of ideas and theories advanced by some radical leader. They prefer logic and reason rather than mass emotion and radicalism. You can depend on Kansas labor.

FOR INSTANCE...

Kansas has never experienced a general strike. And with the exception of local work stoppages of short duration there has not been a serious strike in this state for more than a quarter-century.



You will find much of interest in
the brochure
Let's Look Into Kansas
Ask for it on your letterhead



KANSAS INDUSTRIAL DEVELOPMENT COMMISSION

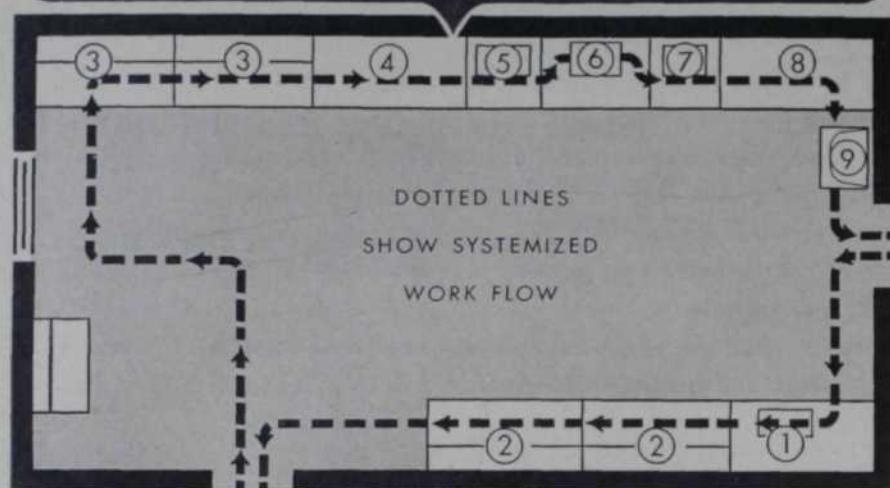
William E. Long, Secretary-Director
809-A Harrison Street Topeka, Kansas

KANSAS

*
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USPM Planning Service can eliminate confusion and congestion in your mailroom and thereby speed up mail handling in your office. How? By establishing systemized work flow.

In the plan above, production-line technique has been applied to mail handling operations. Incoming mail flows smoothly through the USPM Letter Opener (1) to the USPM Sorting Racks (2) and then to the various departments.

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Such continuous work flow eliminates paralyzing jams during rush hours and smooths out all phases of mail handling. Your USPM specialist will gladly help you systemize your mailroom. Call him today!



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CONTROLS
CORPORATION**

donna, it developed, comes from abroad.

Consumers Union *Reports* admitted its mistake the next week but tenaciously contended that the can of peas was "adulterated."

The periodicals of the two organizations do not limit themselves to reporting on analyses. They may tell the housewife, for example, how to prepare a window box, or, in the case of Consumers Union, to write to her congressmen in support of federal health insurance. There may be an article on the subject of pregnancy, or whether exercise lowers high blood pressure, or whether smoking is harmful, about which Consumers Union doesn't commit itself, or the matter of a hangover and what to do about it. From Consumers' Research there is a report on the current movies, just what kind of diaper best suits the baby, and advice as to whether one should build now or wait.

For Gravy-spillers and "Doodlers"

AMERICAN householders are slated to be the recipients of scores of new gadgets and products born out of wartime discoveries in the industrial and mechanical fields as scientists and chemists turn their minds to peacetime pursuits.

Not the least of these is a gravy-proof tablecloth which comes under the heading of things to make life more enjoyable for the housewife. New table linens are appearing on store counters which can be wiped free of food stains or ink doodles with a damp cloth.

The linens' resistance to stains derives from a super-thin, almost invisible coating of flexible transparent plastic, so inconspicuous that only an expert can visually distinguish a treated cloth from an untreated one. The plastic product is being produced by the Monsanto Chemical Company at Springfield, Mass. The company is acting only as the supplier of the product, the actual manufacture of the cloth is left to concerns in those fields.

Cloths treated with the plastic may be used for six to eight weeks before they need be sent to the laundry, provided they are sponged off after each use. Occasional laundering is advisable because the untreated side will pick up dust.

One routine problem remains—the tablecloth must be hand-ironed on the untreated side.

It Pays to Watch the Sky

(Continued from page 52)

about the weather as it affects my business?"

It is fairly obvious procedure, for instance, for a stock grower when shipping hogs by rail to call the local Weather Bureau for a final check, even though the weather is moderate.

One shipper, in doing this, learned there was an air mass moving down from Canada. Cold wind, the Weather Bureau told him, would hit the railroad line about three in the morning.

Paper saves damage

THOUGH the wind would not be cold enough actually to freeze a hog, the shipper knew that if chilly wind came through the slats, the hogs would try to get behind each other. They would all crowd to the lee side, and some of them might be trampled and suffocated. So he tacked up paper for a windbreak and got the hogs through without loss.

For many products, transportation is ticklish business. Bananas in a freight car do not jostle each other like hogs but they just freeze quietly and are ruined.

Last winter a shipper saved \$20,000 worth of them by getting the weather forecast, stopping a train en route and installing heaters in 22 cars.

Liquids as unlike as beer and ink are similar in being subject to freezing. Sand, gravel and ore may be rained on and then frozen, so that they must be expensively thawed or broken up before being unloaded.

Steel products would seem to most people to be proof against the weather but certain large and expensive steel rollers crack and split if the temperature suddenly changes five degrees or more. So, with the cooperation of the Weather Bureau, the manufacturer times his shipments and plays safe.

Many factors affect business

IT takes no research expert to know that ice cream parlors may expect to do more business in hot weather than in cool. And any shrewd advertising manager knows that October should be a good month to feature a sale of blankets but that his sale will hardly be a success if it happens to coincide

The test of any man's worth to his community is the service he renders to it.
—THEODORE ROOSEVELT



You, Too, Can Serve

TEDDY ROOSEVELT served as governor of New York, later as President of the United States. He organized and led to victory the Rough Riders of Spanish-American War fame. Perhaps not everybody can find a way to emulate Teddy's record of service to home and country, but everybody can find a way to serve his own community.

One good way to serve is to support actively the organizations which are working to make your community a better place in which to live . . . a place where business thrives.

Your local Chamber of Commerce is the leader among these organizations. It is composed of representatives of practically every type of community activity and endeavor . . . men and women who have a common interest and pride in your home town, in what it is and especially in what it is to be.

►► NO matter how good your Chamber manager is, he can't do his most effective work without your help. Ask him what you can do. Then if you want to dig deeper into the possibilities of Chamber work, read "Local Chambers, Their Origin and Purpose." Send for a copy. It's free.

**Chamber of Commerce of the
United States of America**
WASHINGTON 6 • DC





in the "Empire" district of the Southwest where "cities in the country" provide more profitable and wholesome living for both business and people

"Empire" communities though smaller in size are *big* in industrial advantages.

Overnight from great markets — all three industrial fuels, coal, natural gas, oil — railroads, motor freight and major airlines.

Rich in raw materials and semi-finished products—diversified resources from the farm, mine, and forest. Good living and recreational opportunities in the "Play-grounds of the Ozarks."

A stable, permanent people—American born, resourceful, intelligent, easy to train with a high degree of mechanical skill.

Here you will find a friendly atmosphere — friendly to you — friendly to your business. Join the growing group of "Empire" industries which have found greater opportunity here.

Write us for a copy of "Looking Through Clear Glasses" — which describes industrial opportunities in the "Empire" district of the Southwest.

Industrial Development Department

THE **EMPIRE** DISTRICT
ELECTRIC COMPANY
JOPLIN, MISSOURI

"SERVING IN THE 'EMPIRE' DISTRICT OF THE SOUTHWEST FOR OVER THIRTY-SEVEN YEARS"

with a warm week of Indian summer.

It is not quite so obvious a procedure, however, for the business man to investigate, and then to profit by knowing, the effect on his particular business of the finer features of the weather—cloudiness, changes in barometric pressure, wind direction and velocity, relative humidity.

The baking company mentioned earlier keeps its eye on humidity as well as temperature, because it has found that people buy—and presumably eat—the most bread, rolls, coffee cake and doughnuts when the temperature is about 40 degrees and the relative humidity about 50 per cent. As the temperature rises, the sale of pastries goes up.

I know of at least one natural gas company which makes use of complete weather information. This company employs a well-trained meteorologist who studies not only the weather but also the company's business. He makes forecasts of his own and correlates them with the Weather Bureau's forecasts, and out of it all gives the company information enabling it to improve its service.

Meteorologists earn their keep

IF, for instance, a sudden drop in temperature is expected at any point in the operating area, he notifies the company's dispatcher, who, knowing that more gas will be used in cold weather than in hot, increases the pressure in the mains to insure an even flow of gas to consumers. Or if a dark, cloudy day is forecast, the meteorologist warns the dispatcher who then calls in stand-by facilities to meet the expected increased demands in the areas affected.

It is not enough for the executive vice president of a company to call up the Weather Bureau and say:

"We do a million-dollar business in nards and kiltaps. No one in our organization knows about meteorology. How can we make use of your current forecasts and of the climatological information you have collected over many years?"

The Weather Bureau has only a vague idea about nards and kiltaps, has no idea at all about the intricacies of the business, and has a full-time job already.

The only good solution is for the firm to put a meteor-

ologist on the job, have him become familiar with the problems of the business and coordinate the business with the weather and climate.

In a large, complex and changing business, this study and coordination can be carried on continuously by a full-time employee.

At least one railroad, a fruit company, and several gas and electrical companies—not to mention the air lines with their elaborate setups—carry a regular meteorologist on the staff.

The smaller business can be content with the employment of a meteorologist in a consulting capacity, and perhaps on a temporary basis. In some of the large cities meteorologists have already set up consulting agencies.

Many trained weather men

FORTUNATELY, many good meteorologists are available today. During the war some 40,000 men received such training—a number many times larger than the total trained in the previous 75 years of organized weather service in the United States.

The majority of these meteorologists are below professional level and will return to their previous lines of work. Nevertheless there remains a large pool of highly trained weather men who are planning to continue in this field. This means greater opportunity for the business man, not only to save money but also to make money—by keeping posted on the weather.



If you fly -

for Business

for Pleasure



An increasing number of companies own their own planes today—oil producers, mining, iron and steel, meat packers, car makers, chain stores, publishers and many others. To meet the travel needs of their key personnel, these industries are taking to the air. How about *your* company?

Own or fly your own little job? Technical advances by plane makers have helped put flying on the map—all kinds of flying. Right today, tens of thousands of aircraft—for business and for pleasure—are on backlog order. And the rush is just beginning!

here's full protection

from the ground up!

The growth of aviation demanded it. And now it's here—Insurance Company of North America Companies' up-to-the-minute, complete aviation insurance protection.

This insurance covers you "from the ground up" whether you or your company owns the plane—no matter what the risk: plane damage and property destruction (yours or the other fellow's). Lawsuits after crashes or collisions. Personal injury to you, your

passengers, or anyone you hit. *Complete* protection.

Ask any Agent of North America Companies—or your own Broker. He'll gladly show you how modern aviation insurance can be tailored to fit your business or pleasure flying needs.

1792

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16 of 23 2/18/47

Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which meet the public demand for practically all types of Fire, Marine, Automobile Casualty and Accident insurance. Sold only through your own Agent or Broker. North America Agents are listed in local Classified Telephone Directories.

Make Way for Tomorrow

(Continued from page 40) and 12 hour day was standard in industry. Dreamers and radicals talked of an eight-hour day, a five-day week, minimum wages, maximum hours, the elimination of child labor—all subjects that we take more-or-less for granted today.

Forty years ago less than 50 per cent of the children between five and 17 years of age were in school.

Everyone in my father's family, for instance, was usefully employed at an early age. Mother ran a kitchen "factory," baking bread, washing, ironing, cooking, mending and sewing. The rest of us carried papers, shoveled snow, delivered groceries, made a garden, mowed lawns and did odd jobs.

We were producers. Yet with all this productivity we had only a bare existence—merely the necessities of life.

Great advances

NOW, passing up the present, look ahead a few years. I visualize great gains in technological development which, despite past wonders, has hardly gotten under way in this country. The war has intensified our interest in technology and it is fair to expect new products as well as improvements in present products beyond the comprehension of anyone today. The opportunities stemming from these developments will be greater than any we have ever experienced.

I am convinced that we shall welcome the 30 hour week 10 or 15 years from now. It will neither be a gift of enlightened management, nor forced by union power or government fiat. It will come because we shall have raised the productivity of the machine sufficiently to make it practical and necessary.

I feel equally certain that we shall set up new standards of education. No one will enter the labor force until he is 20 or 21 years old. When he does, he will have a college education, not in the classics or professions exclusively, but in new types of educational institutions set up for varied interests and individual capacities.

Most workers will withdraw from the labor force at the age of 55, not because society has drained them of usefulness and tossed them aside, but because they want to retire. We will have made it possible for them to store, in their productive years, sufficient fruits

of their productivity to enable them to enjoy their old age.

This does not mean that the exceptional individual who wishes to continue working after 55 will be forcibly driven into retirement. Society will have ways to use the abilities of those equipped with special talents, particularly those who have the creative gift. But the relative number of such men will decrease as new generations grow up attuned to the thought that men should produce in the years when their physical powers, and consequently their productive capacity, is at the highest level—in those years when their responsibilities to their families and society are the greatest.

Nor are the limits, 20 and 55, necessarily inflexible, although if you start a man to work before he is 20, he has not yet reached the peak of his training. If you require him to work after 55—certainly after 60—you are getting the fruits of his need rather than the product of his best powers.

If our productivity increases, we must take something off the other



"Janie has a darling baby 19.00107 inches long that weighs six pounds and 13.079 ounces"

end, if we are to give the top producers a chance at a livelihood. I believe that, for less money than is now donated from the payroll for unemployment insurance, we can provide compensation when the human machine slows down. We can keep retired workers as consumers because their right to consume has been established and earned in the years of their productivity.

Should this be done through

Government? I think not. It can better be done through a system of private insurance—just as we handled the Workmen's Compensation Act. The financial burden, however serious it may appear at the moment, will be quickly reduced when management sets its mind to it, just as the costs of workmen's compensation have been reduced.

Back in 1912 and 1914, when workmen's compensation was put into the steel foundries in my state, the loss rate through accident was \$3.90 per \$100 of payroll. All the old familiar arguments were brought against the assumption of that cost by management. It was government interference with private industry. It would subsidize the worker's carelessness. The ultimate consumer would pay the bill in increased prices.

Cost problem solved

WHAT actually happened? Once the costs were inescapable, management began to look for ways to whittle away that \$3.90. It inaugurated safety programs. Today the loss through accident is \$1.51 per \$100 of payroll.

For that reduced figure, it has been possible to increase weekly disability allowances, which were \$4 to \$10 in the original plan, to a minimum of \$10 and a maximum of \$27 (based on number of dependents). Maximum death benefits—\$3,000 originally—are now \$10,800. Permanent disability payments, \$4,000 to begin, are now \$15,750. Payments for minor injuries have been scaled up in proportion and occupational diseases, not covered in the original program, have been made compensable.

Moreover, without the safety programs that workmen's compensation legislation inspired, mass production could never have been developed as we know it today because the cost of standby workers would have been prohibitive. No production line, where every man's work depends on a completed operation ahead of him, can function dependably under the threat of accidents unless new workers are constantly available to replace an injured person.

Like benefits, many of them unforeseeable, can stem from a program of guaranteed employment. We shall have to change many established methods of producing and distributing our output. This is not the place to detail such changes—but they can and will come if we put typical manage-



WHO takes your suit for a cleaning?

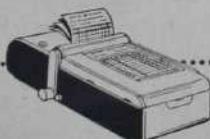
There's more to it than meets the eye. Away your clothes go, soiled and rumpled. And a few days later they're back—clean and looking like new. But what you don't see are the multiple operations involved. The receiving—instruction—billing—delivery... and the countless forms that speed and co-ordinate these operations.

It's like that in every business today. Routine operations are essential—and to handle them with maximum speed, efficiency and accuracy, correct forms—such as UARCO's—are vital.

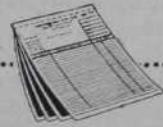
Take a look at the forms you're using—estimate their number. Perhaps several could be combined. Probably the use of fewer—and prop-

erly designed forms—would cut handling costs, eliminate errors and speed work.

Then, after this preliminary check, call in your UARCO representative. His careful analysis of your repetitive routine operations will open your eyes to the importance of forms designed for efficiency. You'll see how UARCO forms can speed your work—bring accuracy and control to all phases of your business. So call your UARCO representative. There's absolutely no obligation for his study and improvement suggestions. Call or write, today. UARCO INCORPORATED, Chicago, Cleveland, Oakland. *Offices in All Principal Cities.*



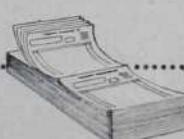
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AND REGISTER FORMS



SINGLE SET
FORMS



BUSINESS FORMS



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FOR TYPEWRITTEN AND BUSINESS MACHINE RECORDS

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cooperates to
help reduce costs



Statement by Mr. Harry Woodhead
President Consolidated Vultee Aircraft Corp.

"San Diego's year 'round mildness of climate has proven very advantageous. We can work out of doors every month on many of our finishing operations and make test flights whenever we are ready. We also avoid extremes of heat, cold and humidity which add unnecessary cost to many manufacturing operations."

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- Plenty of natural gas and electric power.
- Nation's 21st richest agricultural county.
- 3rd largest U.S. market within 125 miles.

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SAN DIEGO GAS & ELECTRIC COMPANY

ment and worker ingenuity to the task.

The guarantee of a job does not take away the worker's initiative. He still starts out as an apprentice. He comes all the way through the various stages to production and sales manager, and eventually the head of the business. I think he will be imbued with more initiative because he is unconsciously absorbing the positives of life. He no longer leaves his work at the close of the day, as I did, with fear in his heart.

Steady jobs are needed

IT SHOULD be made clear that the guarantee I suggest is a steady job with opportunity for advancement, not a wage guarantee. Wages are a matter of periodic collective bargaining, of dividing up the product created through the medium of jobs.

A job guarantee implies assurance of useful employment, continuous employment while able to work, during the worker's productive span. Current legislative trends indicate the federal Government is fully prepared to supply such a guarantee, with public employment provided as the alternative when private employment declines. In that event, industry, which supplies the bulk of our federal income, pays the bill, willy-nilly.

What about the cost? Can private enterprise assume it without pricing itself out of the market or giving new impulse to inflation?

I think it can. As I see it, we now have, in the guise of unemployment insurance, a guaranteed annual wage.

In one state where I am familiar with the laws, a man who works 26 weeks at \$40 a week, may, if unemployed, draw unemployment relief at a rate of \$21 to \$28 per week (conditioned on the number of his dependents) for the next 26 weeks. He receives \$1,040 for the weeks he works and an average of \$637 for the weeks he loafa.

He is as definitely on the payroll, through taxes, as if he were producing. Government gets the credit for taking care of him; industry, commerce and agriculture pay the bill and get a black eye. Unemployment—a negative and destructive thing—is encouraged. Certainly management, with its capacity for solving problems, can devise a method that can put this \$637 of expense on the production side of the ledger.

All I am suggesting is that we put into practice the ideals we so

eloquently express from the platform.

In building our present industrial machine, industry and labor during the past 30 years have done a miraculous job of improving working conditions and increasing the remuneration of the worker. But there is another element—the human side of the equation. I suggest that we begin to recognize the importance of this human side.

Product and profit are necessary objectives of business, but they are not the sole objective. No business that fails to contribute to human welfare and progress can long be justified. Hence everything we do in our respective businesses should be measured with the effect it has on the lives of those who are connected with the business. When we realize this third dimension of the profit system, many of our other social problems will be answered as well.

Industry, commerce and agriculture in recent years have established research laboratories where men of ability, delving into the mysteries of science, are constantly bringing forth new products and new methods. They tell us they are only on the threshold of things to come. Other specialists, studying problems of marketing and distribution, have developed new sales devices, greater efficiency in marketing methods, and have promoted a wider public acceptance of industry's products. These relatively recent adjuncts to the organizational setup of our corporations have repeatedly dem-

onstrated their value to the business.

I am of the opinion that benefits of like value may be achieved through a more scientific approach to our personnel problems—to the human side of our business. Through this approach we must find an answer to the doubts, fears and obsessions that handicap our workers, reduce their productivity, and oftentimes negate their best efforts. We must find security for those who work with us. Security is the prime antidote for the fear which is the root of unrest.

Security for workers

SECURITY is the unappeasable hunger throughout the world today just as hunger for individual liberty gripped our forefathers 150 years ago. Government is certain to meet the popular demand if business and industry fail.

Let me repeat, social security is bound to come. If government provides it, government will get the credit. But industry, commerce and agriculture will pay the bill through taxation. If industry, commerce and agriculture provide it, they not only share in its benefits but they will be able to provide it at a lower cost than through government. Moreover, the gain in public good will is incalculable.

I am interested, actively, in five companies; three of them in three different parts of the country. We have never had one moment of work stoppage in all the years of our business. We have had no strikes—although all our workers are organized. I believe we have been free from work stoppages because we have tried for years to sell the idea of the third dimension—namely that the individual is the most important factor in our business. Everything we do is measured in that way. Why? Because, when you recognize the human factor and make the individual feel that he is the best supervisor you have in the plant, he becomes just that.

This country of ours is truly great. It has been blessed with all the resources of lavish nature. It is far from those parts of the world where men have lived for hundreds of years in turmoil, social strife and war. In a world of famine and deprivation, we are rich in things. We can be equally rich in the intangibles that make life a joy.

Today we have a great opportunity. Let's not waste the time in which to take advantage of it.

The job of today is to make way for tomorrow.

Country Store



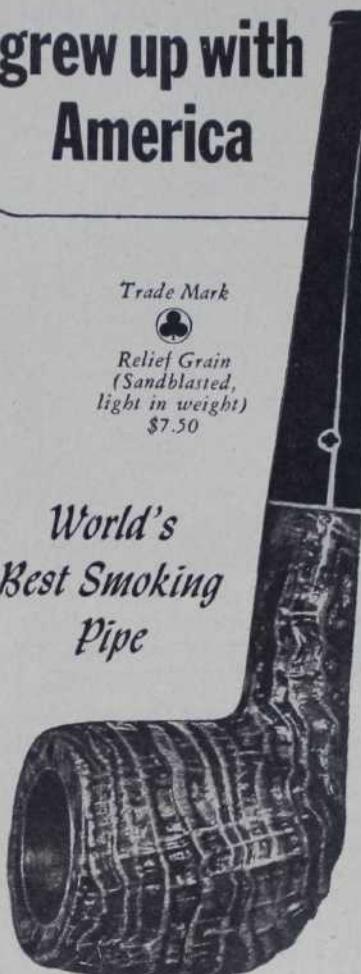
KAYWOODIE grew up with America

Trade Mark

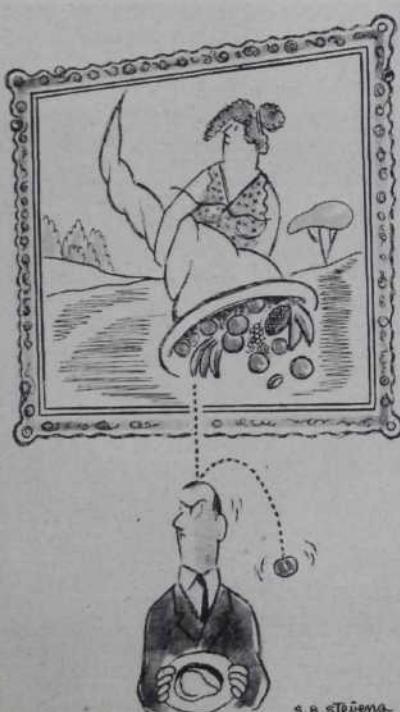


Relief Grain
(Sandblasted,
light in weight)
\$7.50

World's
Best Smoking
Pipe



The KAYWOODIE organization began making pipes in 1851. The pipes were smoked with pleasure and satisfaction, and soon were as popular in many sections as country stores where men gathered. Today, Kaywoodie Pipes are fashioned in 128 operations which altogether require as much skill as the cutting of a diamond. The men who do this have specialized training. They know what constitutes a good pipe, for comfort, balance, smoking quality and likable characteristics. Enjoy the satisfaction of smoking a Kaywoodie. At dealers', \$3.50 to \$25. Kaywoodie Company, New York and London.



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Write today, giving your average monthly oxygen consumption. We will gladly furnish full details about the many advantages of producing your oxygen requirements this new, economical way.

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Factory: Emmaus, Pa.

Where Will Rubber Bounce Next?

(Continued from page 43) ral rubber supply and the industry suddenly found itself up to its ears in chemistry.

Forced to pull rubber out of a test tube or go without, it came up with GR-S, the standard tire-making synthetic rubber which is not a rubber at all, but a chemically made plastic substitute.

Synthetic is improved

THEN the industry began improving this plastic tire and today reports that it is as good or better than the prewar natural rubber passenger car tire. The industry also says the butyl synthetic tube is better than any inner tube ever made before.

Before the war the industry's research to improve tires led it into many other types of rubber production—soles and heels, sundries, mechanical goods. Research developments also inspired the industry to venture into the newer field of plastics.

The outbreak of war, bringing with it the need for a rubber substitute, flung the industry headlong into the plastics world. Researchers found the plastics world a fascinating place. It also was discovered that synthetic rubber, while a problem child requiring careful rearing, was a material possessed of great possibilities.

Herbert E. Smith, president of U. S. Rubber, told his stockholders not long ago:

"In 1945 our chemists developed

45 new varieties of synthetic rubber, all on a production basis."

With this new impetus there was no stopping the rubber men as far as research was concerned. Their success with synthetic rubber proved to them their ability to handle plastics and achieving it led them into other new sidelines.

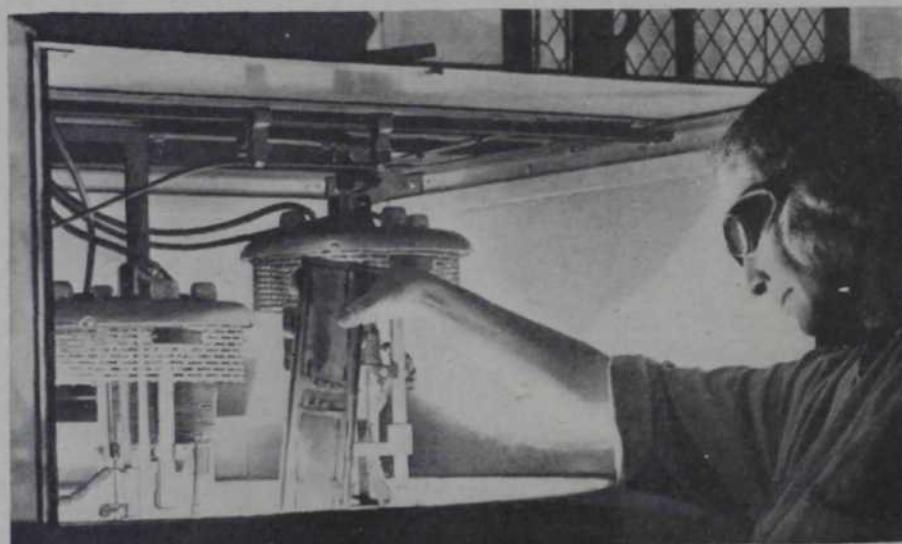
For instance, U. S. Rubber chemists were trying to lick a tire improvement problem and whipped up several dozen different formulas before they hit the right combination. Some time after reaching their objective they found they still had to dispose of the abandoned formulas. What could be done with these in a salvage way presented a new problem. It was decided to try them on fungus growths as killers.

They discovered one which, after some improvement, is used now to treat most of the pea seed and much of the corn planted in this country. The company decided to set up an agricultural chemicals laboratory and now produces insecticides, weed killers and fungicides.

Similarly, most rubber companies were finding research and wartime acquisition of know-how carrying them into new fields.

When Goodyear announced formation of a chemical products division, C. P. Joslyn, division manager, said:

"The aim of the program is to find uses in postwar civilian industries for the large number of processes and products developed in

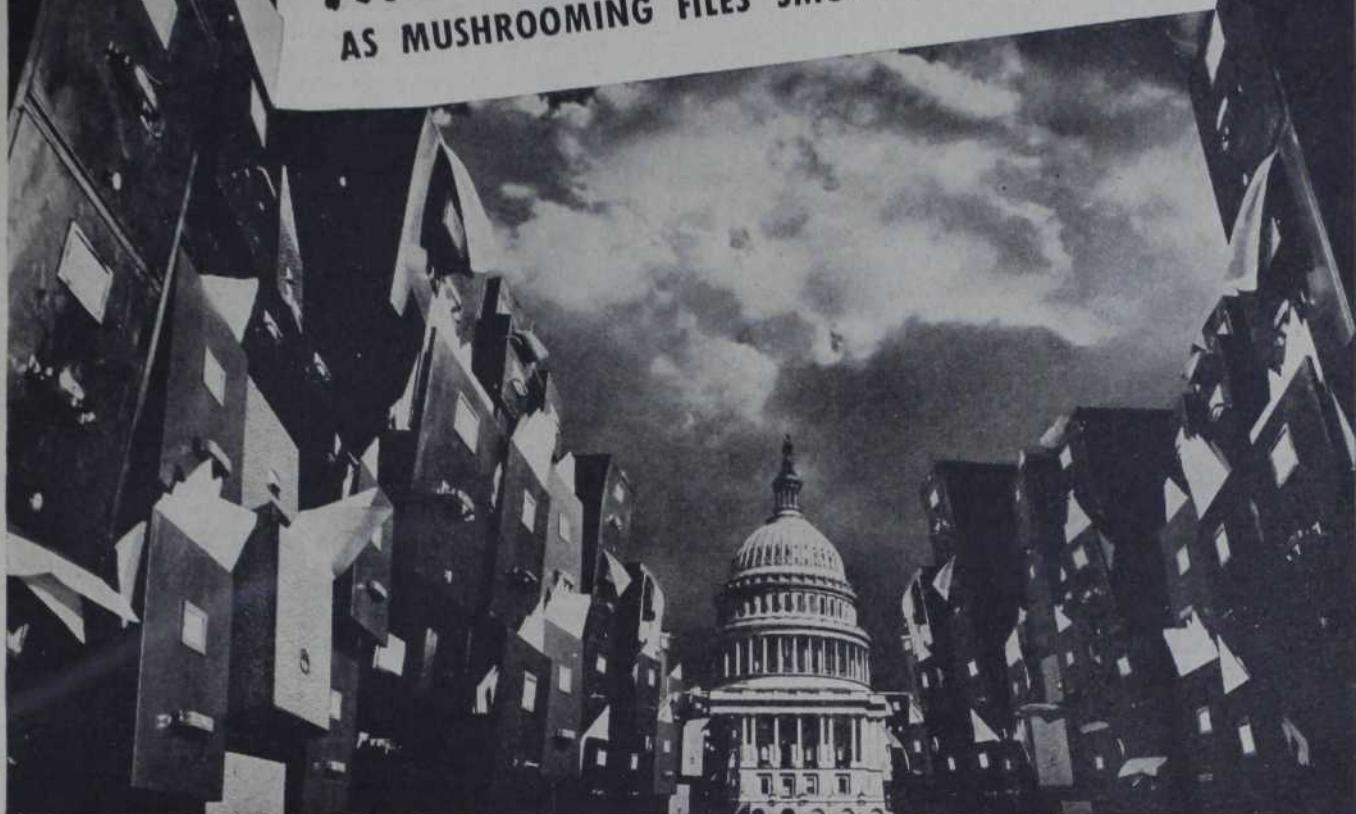


Sunlight and rain are created in this machine, a weather-ometer, used by Goodrich to weather-test its synthetic material, Koroseal

B. F. GOODRICH CO.

Microfilm To The Rescue

AS MUSHROOMING FILES SMOOTHER WASHINGTON!



It goes without saying that, in the conducting of the affairs of a great Government, no less than in the running of the smallest business enterprise, the continuous maintenance of complete records and files is an absolute minimum essential of effective operation.

Dangerous and disheartening, however, is the inexorable growth of necessary governmental records, the filing of which each year swallows up more than *two million cubic feet* of badly needed space in the crowded Capital. So packed is Washington with records, that vast quantities have been shipped and stored in remote cities throughout the country.

According to reliable estimates, Federal Government records now occupy space equivalent to that of seven Empire State Buildings!

The microfilm process makes possible savings in space of more than 99%!

Long employed by private business, the use of microfilming techniques is not new to Government. During the war years, for instance, the Holbrook Microfilming Service provided 18,000,000 feet of microfilm for government agencies, war industries and the United States Army, including documents classified as "restricted," "confidential" and "secret."

Again, Byron Price, able wartime head of the Office of Censorship, feeling strongly that the files of Censorship documents and letters taking up 4800 square feet

of floor space, should be reduced to a minimum, ordered the bulk microfilmed, with the result that file space was reduced to *forty square feet*!

This action points the way to one of the most important—if as yet largely untapped—potential sources of governmental economy.

Engineers estimate that overall microfilming of Government records would result in the release of 80,000 personnel for other duties, increase available floor space by 16,000,000 square feet and free 1,350,000 filing cabinets, with a total saving of \$400,000,000!*

In view of the current dire space shortage and the huge savings possible in personnel, equipment and money, the obvious solution becomes imperative and immediate.

Microfilming is the only answer!

At no obligation, a Holbrook Sales Engineer will gladly visit your offices, analyze your filing problems, and explain how the Holbrook Microfilming Service can be adapted to your needs.

*Based on Aug. 14, 1946 supplement to Vol. III, "Human Events"



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FLORIDA

THE SUNSHINE STATE

the fields of natural rubber, synthetic rubber and plastics by the company during World War II to meet the exacting demands of the Army and the Navy."

The pitch for this postwar rubber research was set by Dr. Howard E. Fritz, Goodrich vice president, when his company broke ground for a new research center now under construction midway between Akron and Cleveland. He explained:

"Every year new tools of science become available while the pattern of industrial research is constantly changing. We have committed ourselves to an ever-expanding and more intensive research program in these new facilities with accent upon uncovering new and fundamental information."

New research facilities

LARGE new laboratories were erected in Akron by Goodyear and Firestone during the war. Most recently completed research center there is the new laboratory of the General Tire & Rubber Company.

General has been doing extensive pioneering in the field of new types of manufactured rubbers, notably in a promising chlorostyrene group. Apart from its work in rubber and plastics, General's researchers also are developing new types of jet propulsion units for aircraft. During the war General made the famed "jato" units—jet assisted take-off—which enabled Navy aircraft to take off from smaller space carrying heavier loads. It still is.

The most remarkable achievement credited to jato is the take-off of the extremely heavily loaded *Truculent Turtle*, a two-engine plane with which the Navy set a world record distance flight from Australia to Columbus, Ohio.

William O'Neil, General president, is pressing for adaption of jato to commercial air transport on two points. He contends that there would be fewer take-off accidents if transport pilots could fall back on jato in event of engine failure at take-off, and that greater payloads could be carried in commercial planes equipped with jato to assist them off the ground.

Perhaps the most elaborate of the new laboratories is the new Goodrich center, which is designed to resemble a college campus and accommodate some 250 researchers in 81 individual laboratories. The laboratories will be adaptable for rapid conversion from one type of research work to another through the use of removable par-

titions, interchangeable fixtures and a variety of special services.

Many of the smaller companies have or are building less elaborate laboratories but have no less pride in them. You will find many of these smaller companies maintaining laboratories and research staffs which may seem disproportionate to their total operations. A firm employing less than 300 workers may be found to have two dozen persons at work on research.

The reason is that experience has taught the smaller companies that their larger competitors have no monopoly on the fruits of research.

An industry that started out to work principally with rubber now finds that 1,356 of the 2,200 component materials it uses are chemicals, that tonnagewise it uses much more chemicals than rubber.

Among the larger rubber firms research activities have been expanded more than 300 per cent in the past six years.

At work are more than 5,000 scientific and technical personnel. There are chemists, physicists, botanists, electronics experts, plant pathologists, toxicologists, as well as textile, automotive, electrical and chemical engineers. It is costing the industry more than \$25,000,000 a year, not including money spent for new research plant construction.

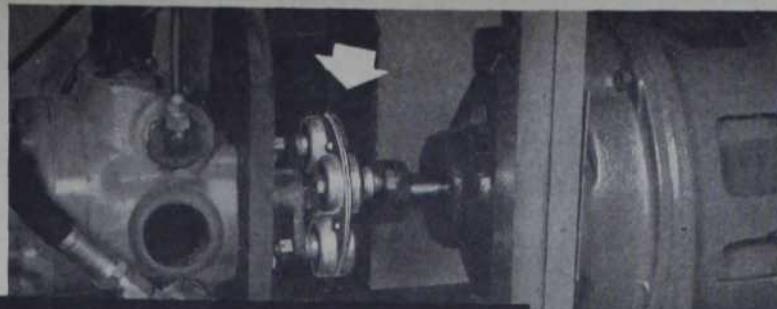
New products are coming

A RUBBER executive's eyes will sparkle as he tells you what's cooking in his research laboratories. Mention a few of the new products that have been developed and he will nod proudly in agreement. Then he'll tell you that you "ain't seen nothin'" yet, that this is only the beginning.

If you get on the subject of that first love, tires, he may advise you not to be too surprised if Junior mentions wistfully one of these days that he would sure like to have a new set of red or green or pink balloon tires for his jalopy.

The rubber research boys, you see, have come up with a "white carbon black." Actually it is a colorless substance made from silica that can be substituted for carbon black and will make possible the production of tires in various colors.

So, don't let them surprise you—in fact, don't be surprised at anything that the researchers come up with from now on. They're like a bunch of kids working on an endless grab bag and they're having a wonderful time.



Modern Machines Deserve MORFLEX Couplings

Chicago Pneumatic Tool Company's portable hydraulic system, adaptable to cold riveting, piercing, pressing and pulling operations, uses Morflex Couplings on the power unit shaft between motor and pump. Morflex Couplings absorb shock, vibration, prolong machine life in severest service. MORSE CHAIN CO., Detroit 8, Mich.; Ithaca, N. Y.



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Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{3}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

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When Figures Join a Cause

(Continued from page 49)

figures that 15,000,000 civilians and 12,000,000 in military service have moved in recent years, the greatest migration in history. As more than 1,000,000 of these left farms, the individual income of those who remained was much higher than the unrevised statistics announced.

Guesses for statistics

THE outstanding use of figures for political purposes was the bogey of 8,000,000 unemployed whipped up to pressure the Full Employment bill through Congress. This figure was disguised as statistics and accepted on the past reputation of government statistics for reliability. Actually the total of 8,000,000 unemployed was pulled out of thin air and like "Sweet Adeline" was something on which all could harmonize.

Dire prophecies of postwar unemployment started in 1944 with an estimate to Congress of more than 5,000,000 unemployed, by the Committee on Postwar Economic Policy. Ex-Congressman Thomas Amlie of Wisconsin boosted it to 20,000,000, and the late Sidney Hillman, speaking for CIO, announced that it would be 10,000,000 by Oct. 1, 1945.

When Paul V. McNutt, then chairman of the War Manpower Commission, was denounced by both CIO and AFL for a guess of only 1,800,000, he quickly raised it to 5,000,000 for November, 1945, and 6,200,000 for December.

Such contradictory government "statistics" were bad politics and, on Aug. 15, 1945, John W. Snyder, then administrator of the Office of War Mobilization and Reconversion, and now secretary of the treasury, harmonized the vocalists on the 8,000,000 note with a prophecy that many jobless will be "walking the streets by spring."

After that the 8,000,000 figure was the party line. Most of the baritones and basses sounded variations on the date when it would materialize and others added an imaginary authentication that it was "based on calculations of federal economists."

AFL fixed the date definitely in March of this year; Henry Wallace charted its arrival in 1950 to a congressional committee but, in a

statement the next day, snapped back to the agreed spring of the year. Harold D. Smith, director of the budget; Secretary of Labor Schwellenbach, and Isadore Lubin, commissioner of Labor Statistics on leave to the United Nations, each went on record for 8,000,000 jobless on the favored date.

William Withers, vice chairman of the New York Liberal party and associate professor of economics in Queens College, put the government prophets in the conservative class by prophesying 11-12,000,000 unemployed through this year and 18,000,000 later. He justly added: "Forecasting is not an exact science, due to statistical uncertainties and emotional attitudes which are part of the process."

The 8,000,000 figure was not merely uncertain but imaginary and the attitude was political.

Latest figures of the Bureau of Census show that, in August, 1945, when the 8,000,000 figure was being foisted on the public as government statistics, unemployment in the entire country was at a low of 830,000. A year later, in August of this year, unemployment was 2,040,000. Including these unemployed, the civilian labor force in the country was exactly 60,000,000. During the year, that reservoir

impressive total, ask: "When is a man handicapped?"

The figures are based on a survey made by the Public Health Service in 1940. By selecting typical areas for sampling, the statisticians reached an estimate of between 23,000,000 and 24,000,000. A generous 4,000,000 has now been added as an estimate of the increase in six years. According to the survey, about 83 per cent of those interviewed were working, 12 per cent needed vocational training and the balance were in such shape that job opportunities were small.

Any who would exclude the employed 83 per cent from the handicapped class can reduce the 28,000,000 to 4,760,000 needing training and placements. Such are the possibilities of interpreting statistics. Public Health explains that only a comparative few cases among its 24,000,000 were totally incapacitated for work.

Shifting cost of living

CONTROVERSIAL cost of living figures, prepared by the Bureau of Labor Statistics, interest every individual to whom the family budget is of more than passing concern. The percentage of change in the cost of living, rising in recent years, is computed from the separate price changes of individual items in a long list of articles of supposed daily and seasonal necessity.

The selection of items and the assigning a weight to each one in daily household expense is entirely arbitrary and, by the use of book prices instead of the actual ones, the result can be slanted up or down to suit the political policies of the day.

One analysis of BLS statistics when rationing was in full force showed by items and weights that its allowance of meats and fats for a family of four was double what the family could purchase with ration cards. If these BLS statistics on a family's needs were correct, either substitutes which do not enter into the compilation must be bought or the black market must be patronized.

The big labor organizations which usually find BLS statistics to their liking are among those who criticised the vagaries in cost of living indices. Not including the worker's glass of beer was one complaint. Another of the many criticisms, pertinent to every consumer, was that quality changes were not considered. To BLS, a shirt was



of labor had increased 5,650,000, so that actually 4,440,000 more persons were working this year than at the same period of last year.

Maj. Gen. G. B. Erskine, administrator of the Retraining and Reemployment Administration, is leading a laudable campaign to provide suitable employment for handicapped persons. His literature says 28,000,000 in the United States are handicapped. This is one-fifth of the nation's population and many, surprised at the

a shirt. Texture, length of tail, pleats and laundry mortality may change but BLS recognizes only changes in price. Also, a Ford is a Ford and, less discerning than other humans, BLS sees only a difference in price between a Model-T and a V-8.

Following criticism of an index showing that wages and salaries had increased 37 per cent while cost of living increased only 17 per cent over a three-year period, BLS asked the American Statistical Association to review BLS statistics. Isadore Lubin, then commissioner of Labor Statistics, is president and Lester S. Kellogg, chief of the cost of living branch of BLS, is secretary of the Association.

The Association, presumably impartial, reported that it had checked the prices of 11,493 articles and that the margin of error in understating prices was less than two per cent. Differing from the popular conception of a cost of living index, the committee defined it as an index of prices and not of living expenses. It also decided that quality deterioration of commodities was not a change in the cost of living but in the level of consumption, regardless of whether it was voluntary or forced.

Figures can be rigged

WHEN a policy of showing that everything is well with the nation and the political party in office changes to one of alarm for the future, the manipulator of inspired statistics is equally adept in finding figures. This was demonstrated by the report which Secretary Wallace produced on November 1, 1945, showing that wages of automobile workers could be raised 25 per cent without increasing the price of cars. When the Automobile Manufacturers Association challenged the figures, Mr. Wallace replied:

"This report has been in preparation since early in the year. The Department of Commerce continually prepares reports on current developments. This one summarizes a detailed and comprehensive study of sales, cost, productivity and profits. It was prepared by able statisticians who analyzed all available data, such data coming in large part from the published reports of the automobile companies. There is no basis for your conclusion that the public was grossly misled."

The report was used as a basis for government directed negotiations between CIO and General Motors. The strike was settled with

an 18½ cent wage increase and a price increase. After the "official" statistics had served their purpose, Mr. Wallace announced, on March 14, 1946:

"The projections in the release of November 1 were not intended nor should they have been regarded as official forecasts of costs, prices or profits for the automobile industry or for industry as a whole."

It developed that the statistics had been marshaled for his own pleasure by a man in another department. He passed them on to Commerce and Secretary Wallace publicized them as if official. Paul Porter, new administrator of OPA, characterized juggling of statistics to indicate the Government could raise wages and hold prices at the same time as a "cruel and brutal hoax."

Even the best intentioned harvester of statistics are nonplussed by the uncertainty of national production figures in manufacturing, mining and power. Some authorities say they are from 50 to 75 per cent off, particularly for the terrific increase shown during the war.

The Federal Reserve Board started this index in 1923 for monetary control. It depends on Agriculture, Commerce and Labor departments for its basic figures.

Comparison of the monthly outputs of a factory which produces the same article year after year is easy. Such a comparison was impossible when a plant changed from making automobiles to making tanks and that was multiplied by thousands during the war. Consequently the measurement was changed to man-hours of work on the theory that a worker would turn out as much finished product in an hour whether it was an automobile, tank or any other commodity.

On this basis, the industrial production index (taking 1935-39 as 100) was 239 for 1943, the peak war year, compared to 170 for this year. The maximum labor force in 1943, the peak year, was 54,800,000, while the labor force in July of this year was 58,130,000.

Labor does less work

WITH these measurements, the figures indicate that industrial output today is 80 per cent of what it was in 1943, though only 94 per cent as many men and women were working in 1943. It would mean that a worker turned out as much in three hours in 1943, as he now does in more than four hours. This



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You bet! Cool as cross-ventilation. Peaceful and placid as a sunset. Fragrant as a rose garden. Never a huff—in a puff. It's the Tops in Tobacco!

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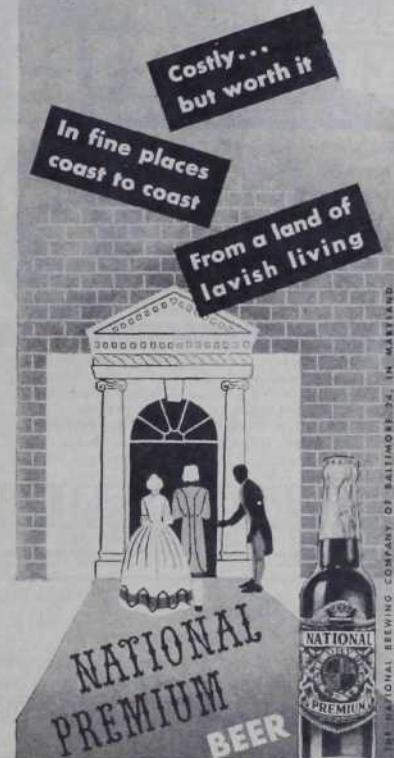


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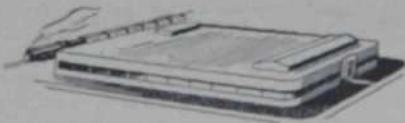


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does not seem logical to the cautious Federal Reserve Board but those are the statistics.

Though FRB statistics are accepted by financial interests as reliable, some have been questioned. Walter E. Spahr, vice president of the Economists' National Committee on Monetary Policy, recalls that when the Treasury issued \$660,000,000 Federal Reserve bank notes as fiat money, the Board's monthly *Bulletin* announced that reserve notes were being retired and in the same issue showed a circulation increase for 12 consecutive months from \$18,000,000 to \$627,000,000.

Statistics on public housing and national power projects are openly weighted to make public spending attractive. Anticipated benefits from a new dam and hydroelectric plant are divided between navigation, flood control and light and power. By arbitrarily shifting the ratio among the three, almost any project can be shown as economically sound. On five different occasions, the Federal Power Commission has been overruled by other government agencies and its statistics rejected in attempts to show the need of more new government power developments.

Counting their visitors

GOVERNMENT liberality in giving mere figures the standing of statistics was exposed when the United States Employment Service was fighting against the return of its functions to the different states. USES produces imposing figures showing the millions who pass through its doors. For many of them that is the only service USES provides. A factory survey in Illinois showed that out of 228,865 new employes, only 15,312 came from USES.

Stanley Rector, counsel for the Wisconsin Unemployment Compensation department, tells of a city where the police rounded up 32 hoboes in the railroad yards and took them to the local USES office. Three trips were made before the men received travel vouchers for jobs in another city. Each time, officers and men were counted for the daily tally of office business.

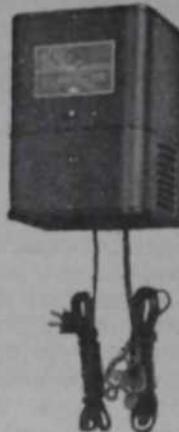
Whether any of the "wary willies" went to work was not recorded.

It would be grossly unfair to blanket all government statistics as unreliable. On the contrary, the great bulk of such statistics are in the informative class, carefully collected and tabulated by experienced and competent experts. It is

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Keep automobile and truck batteries fully charged for winter starting. This heavy duty, Acme Electric dry disc type, charger transforms and converts 105/120 volt 60 cycle Alternating Current to 6 volt Direct Current. Taper charging rate builds up run down batteries fast. Automatic safety switch protects against short circuited cells or overcharge. Inexpensive. Write for Bulletin BC-169.

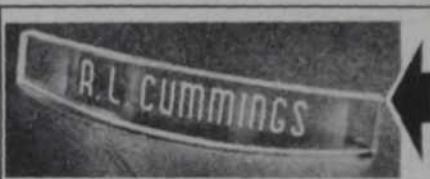


ACME ELECTRIC CORPORATION

70 Water Street

Cuba, N. Y.

Acme  Electric
TRANSFORMERS



EXCLUSIVELY DIFFERENT

Crystal clear, Plexiglas* desk-nameplate, half-inch thick, smartly curved, strikingly simple. A welcome, personalized Christmas gift for your customers, with each name distinctively engraved on every plate. Finest craftsmanship. \$4.50 each, f.o.b. Duluth. Quantity prices on request. Order now for immediate delivery.

LAKESIDE PLASTICS & ENGRAVING CO.

26-28 E. First St. Duluth 2, Minnesota

Northwest's largest manufacturer
of illuminated plastic signs.

*Rohm & Haas Trade Mark ^{†Pat. Pending}

every STEP COSTS \$.0013 Dalmotron saves steps!

In busy, small offices, shops, stores, in the home or apartment, on the farm—wherever paging or intercommunication is necessary, the new All Master DALMOTRON will pay for itself.
NO DIALING • NO FUSS • INSTANTANEOUS
LOW FIRST COST • LOW INSTALLATION COST
Write Dept. NB for free literature.

DALMO VICTOR, San Carlos, California.
Distributors and dealers located in principal cities.
"See the DALMOTRON demonstrated"

GOOD ADVERTISING ISN'T ALWAYS BIG ADVERTISING. An advertisement this size in Nation's Business will carry your message to 524,983 leading business men; might uncover valuable new prospects and customers—yet costs only \$84. For particulars, write Nation's Business, Washington 6, D. C.

when the compilation of statistics is controlled for a political purpose or when informative statistics become interpretive, speculative, projective, inspirational or are blandly pulled out of a hat and labeled statistics—as the 8,000,000 unemployed, to support a policy or political forecast—that the public is poisoned by swallowing them.

"Dishonest interpretations of honest data cannot always be prevented," says Stuart A. Rice, assistant director of Statistical Standards in the Budget Bureau.

Some reliable data

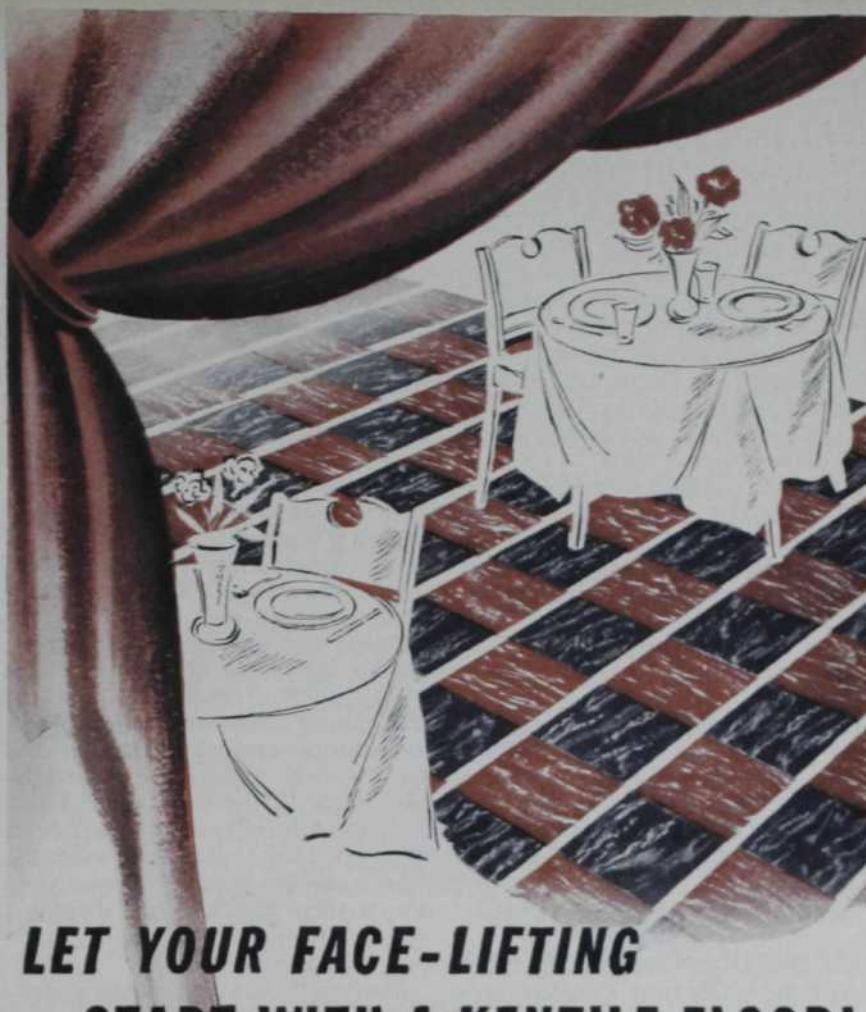
THE crop report of the Department of Agriculture, the figures of the Bureau of Mines, Farm Credit Administration's reports of rural mortgages, the Federal Reserve Board's banking summaries, the Security & Exchange Commission's figures, consular reports on foreign economics and many others, including the Bureau of Census, the world's greatest compiler of statistics, are rarely questioned for errors, and even more rarely challenged for misrepresentations.

It is when the speech makers and policy moulder juggle and embellish statistics for their own purposes, usually political, that the public loses confidence in all statistics. Those of government agencies are the first to come under a cloud.

Unfortunately many departments and agencies, particularly those which believe they are anointed for a mission, want to control both the sources and collection of statistics which can be used for their own interpretation of conditions. This was shown when the new Security Administration maneuvered the collection of vital statistics—births, deaths and marriages—from the impersonal Census Bureau to its own Public Health Bureau with many axes to grind.

Possibly the solution would be to make the collection of government statistics a monopoly of the Bureau of Census, prohibit its officials from making speeches or writing interpretive essays on their own figures and remove the Bureau from the whimsical executive branch of the Government by making it directly responsible to Congress.

A first stipulation might be that all releases of statistics must be made simultaneously to public and to officials so that all will have an even break in making such interpretations as may suit their individual fancy.



LET YOUR FACE-LIFTING START WITH A KENTILE FLOOR!



First thing to do, when sprucing up, is to look into Kentile for your floor. A Kentile floor can set the keynote of your whole store—give it new smartness and fresh life.

Kentile, you see, is laid square by square, so it's wonderfully flexible—offering practically any pattern, any color combination you wish. And as you expand your store, all you do is add the necessary Kentile squares. You need never rip up the entire floor.

Kentile is asphalt tile—the *only* flooring to use on concrete in contact with earth. It's non-skidding, non-staining, non-absorbent. Mops clean with soap and water. Kentile is pleasant to walk on, for it's resilient underfoot. It keeps its good looks for years, as the big A & P Supermarkets, the Woolworth stores, and millions of miles of office corridors can testify.

KENTILE
Asphalt Tile
Trade Mark Reg.

DAVID E. KENNEDY, INC.

85 SECOND AVENUE, BROOKLYN 15, N. Y.
ALSO IN ATLANTA—SAN FRANCISCO
CHICAGO—BOSTON
PITTSBURGH—CLEVELAND

Mighty Battle of the Pens

(Continued from page 54)

tacular aspects. He got up a ball pen window display contest with \$33,000 in prizes and got 5,000 dealers to compete, thereby getting his product before the eyes of millions of potential customers. He offered prizes for selling his pens—everything from washing machines to pearl necklaces, the list filled a 48 page four-color catalog. In its first year his \$26,000 company spent \$848,000 on advertising.

Reynolds himself flew round the world, talking of plans to open branch factories in England, France and Australia, and making fabulous sales en route. He credits himself with selling 25,000 pens on the air line bus between the San Francisco airport and the Palace Hotel.

His masterpiece is supposed to have been achieved in a plane's washroom over the Indian Ocean when he showed a man how his pen would write on tissue paper and closed a big order.

Advertising with free pens

WAITERS at the Waldorf, porters on the 20th Century Limited, policemen in his precinct—they all got free pens. Reynolds gave away 550 at one cocktail party for the press and 1,800 at a dinner of the dry goods trade. He gave one to every senator, ambassador and minister in Washington, 15 to the White House staff, a dozen to Jack Benny.

For a while Reynolds had one man spend his entire time giving them to the right people. He still gives one, with a certificate, to any golfer making a hole-in-one.

Reynolds originally got people talking about his pen by advertising it could write under water—a fact which was more important to cartoonists and radio comedians than to pen users. It was a rival pen maker who suggested that his was a greater novelty; it would write on paper.

While Reynolds was skimming the quick money off the ball pen business, other manufacturers were getting ready to beat him on quality—no unimaginable task considering that in eight months 104,643 Reynolds' pens were returned as unsatisfactory. Eversharp was spending \$2,000,000 on research and tooling up, Sheaffer was making 5,000 trial runs on 30 different models searching for the

right combination, and Parker was spending close to \$300,000 on ball-point research. Eversharp's CA pen reached store counters late in April priced at \$15 and backed by an unprecedented concentration of ads: for instance, ten pages in New York newspapers on a single day.

Eversharp opened in city after city with professional showmanship. An Eversharp team would move into a city, put on a dinner at a large hotel for department store executives, buyers and clerks. At the peak of the meal newsboys carrying specially printed newspapers would race into the dining room shouting, "Extra! Extra! Read all about it!"

Eversharp salesmen had a whole bagful of tricks to interest distributors. They would pour water on a man's desk, write his name in the puddle, wipe off the water and point exultantly to the imperishable name. They would pull out a fine linen handkerchief, write on it to show the pen was working, then suddenly shake the pen in the man's face to show ink wouldn't squirt out. If he had on a white suit, so much the better.

Eversharp started with a production of 5,000 ball pens a day, by July was up to 15,000 a day, by October up to 30,000. In the first six months Eversharp says it made and delivered nearly 1,500,000 ball pens. It estimates its 1946 ball pen

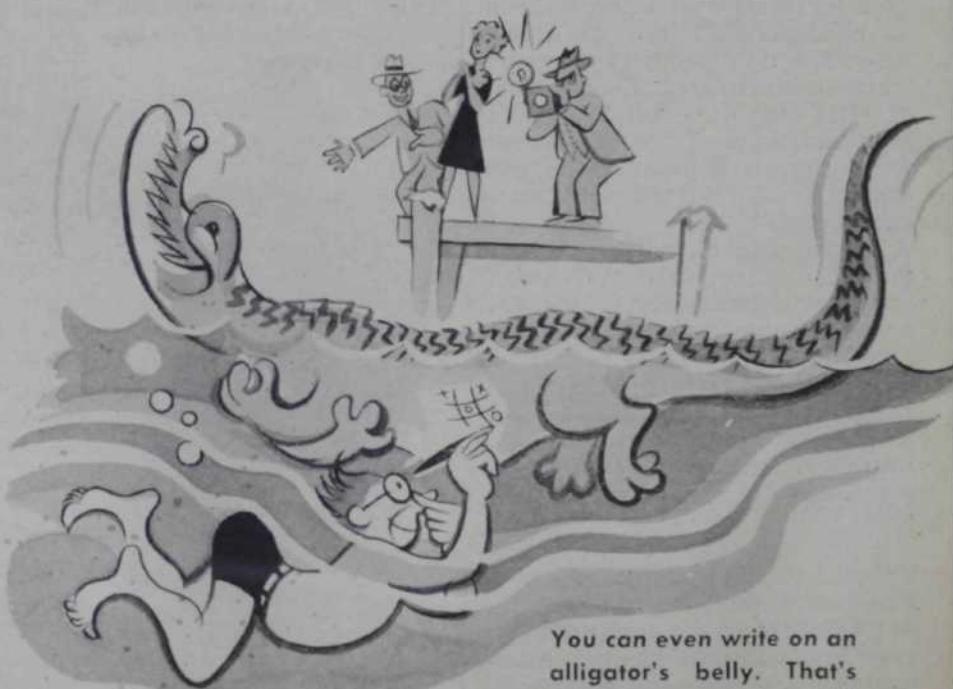
sales and deliveries will total \$20,000,000. That will be \$40,000,000 worth at retail, which means slightly over \$1,000,000 in royalties for Biro and his associates who are also getting royalties from the English company and elsewhere. Biro's Argentine factory is reported to be manufacturing 10,000 ball pens a day.

Battling in courts

MEANWHILE, the battle of the pens rages on, with half a dozen lawsuits. Reynolds is suing Eversharp and Eberhard Faber alleging conspiracy to violate antitrust laws and seeking \$1,000,000 damages.

The defendants are suing Reynolds for \$1,000,000, accusing him of "pilfering" the market which they had prepared.

The pen industry is spending some \$13,000,000 this year on advertising, much of it aimed at one another. When Sheaffer brought out its ball pen the ads were headlined "Not Premature—Perfected!" Waterman hit all ball-point pens with the statement: "Take a look at the Declaration of Independence; you can't get that variety of signatures with a ball." Kenneth Parker read a *Time* story saying his company had been "napping" and wrote a letter damning the ball-point pens with the phrase: "The only pen that will make eight carbons and no original." And Reynolds even ran an ad headed "Most Imitated Pen in the World," which was fairly cool, from the



You can even write on an alligator's belly. That's what one press agent did

if you plan to

EXPAND your production
MODERNIZE your facilities
ADD a new process
RELOCATE your business
START a new enterprise
GET YOUR
PLANT-FINDER
TODAY

To help you select—quickly—the exact property you want the War Assets Administration has issued a catalog called the **PLANT-FINDER** . . . a printed listing of Government-owned facilities which have been (or may be) declared surplus for your purchase or lease.

In this PLANT-FINDER you will see (as of the publication date):

1. Basic information (size, location, use and physical equipment) about every Government-owned plant;
2. Notations earmarking particular plants on which more elaborate details are available through descriptive brochures; and
3. Information as to which plants are available for disposal now . . . which plants, while now leased, are available for future sale . . . which plants have had their machinery and other equipment removed, leaving only the land and buildings for sale or lease.



To make your use of this catalog easier, the **PLANT-FINDER** is fully indexed:

- (a) By alphabetical listing of the wartime lessee;
- (b) By classes of products, or functions performed;
- (c) By floor areas of buildings; and
- (d) By geographical locations.

Write, phone or call at your nearest War Assets Administration office today for your **PLANT-FINDER**.

WAR ASSETS ADMINISTRATION

OFFICE OF REAL PROPERTY DISPOSAL

Offices located at: ATLANTA • BALTIMORE • BIRMINGHAM • BOSTON • CHARLOTTE • CHICAGO • CLEVELAND
 DALLAS • DENVER • DETROIT • HELENA • HOUSTON • JACKSONVILLE • KANSAS CITY, MO.
 LITTLE ROCK • LOS ANGELES • LOUISVILLE • MINNEAPOLIS • NASHVILLE • NEW ORLEANS • NEW YORK
 OMAHA • PHILADELPHIA • PORTLAND, ORE. • RICHMOND • ST. LOUIS • SALT LAKE CITY • SAN ANTONIO
 SAN FRANCISCO • SEATTLE • SPOKANE • TULSA

181-2

EXECUTIVES

Good hearing, like good vision, is a "must." When conversational voice is not heard clearly by any employee a hearing aid should be recommended, and encouraged.



PARAVOX



XTRA-THIN
ONE-CASE • ONE-CORD

HEARING AID

XTRA- THIN

Shorter
than a pen.

Incon-
spicuous

Light
Colored
Cord
and
Receiver
Available

Easy on
Batteries

Brings to your ear, clearly, increased volume of sounds. Thin, slim, slender, this 'Xtra-Thin' PARAVOX is light, so convenient to wear. Only one case, one cord. No separate bulky battery carrier. Quiet too, no case or cord "static." Exclusive plastic-chassis assures one-minute service. Uses standard "easy-to-get" Eveready batteries. One-year guarantee.

WRITE FOR NEAREST DEALERS
and full facts on how to select
your PARAVOX. Booklet, circulars mailed promptly.

PARAPHONE HEARING AID, INC.
2016 East 4th St. • Cleveland 15, Ohio



For COMPETENT PHOTOGRAPHIC SERVICE in the U.S.

and Canada, deal with pro-
fessional photographic studios
which display this emblem.

Sorry, our supply of the 1946 Directory, listing competent photographers all over the country, is exhausted. However, if you will write us, we shall be glad to see that you receive the 1947 issue, which will be available early in the year.

Write to Charles Abel, Executive Manager,
THE PHOTOGRAPHERS ASS'N OF AMERICA
520 Cuxton Building • Cleveland 15, Ohio

*Waiting for you
in Baltimore*

Tops in Comfort . . . Tops
in Food . . . Tops in Service
—Every attention you'd
expect in a city's
largest, modern hotel!

THE Lord Baltimore HOTEL
BALTIMORE, MARYLAND

*Here is
COMFORTABLE
SITTING*

• Do/More chairs are the
choice of thousands of
busy executives — for
comfortable sitting, and
postural aid to physical
fitness, mental alertness.

DOMORE CHAIR COMPANY, INC.
Dept. 1167 Elkhart, Indiana

Send for FREE booklet.
"PHYSICAL FITNESS"

DO/MORE Posture
Chairs

man who was openly imitating Biro.

All the ballyhoo about ball pens actually boils down to five main assets. Ball pens will make as many carbons as a pencil—because the point can take tremendous pressure—and they will write on varying surfaces—because of the nature of the point and the ink. These are specialized advantages, assuring sales in certain trades, but of limited value to most people who use writing paper and don't make carbons.

The three other assets of a well-engineered, precisely-manufactured ball pen are really persuasive to all pen users. First, the ink is non-smearing. Then, the ball pen will not leak in purse or plane—because the ink is non-fluid and because of the design of the reservoir. Finally, the ball pen will write a long time without refilling. How long?

Biro originally talked about a six months' supply, Reynolds' ads said two years, Eversharp said three months to three years, then Reynolds said 15 years. Obviously the more exaggerated claims are so much foolishness, since the length of time a filling will last depends on how much one writes. A stenographer taking dictation will write as much in a day as her boss does in a year. Impartial tests on writing machines show a ball-point pen ink supply lasts ten to 20 times as long as the ink in one filling of a conventional pen.

Not a perfect pen

THE ball pen has certain admitted defects and deficiencies. It can write only a line of uniform width and it will not write when held at much less than a 45 degree angle to the paper. These are inherent liabilities. No engineer even glimpses a way around them. Other defects seem to be removable by better design and manufacturing. For instance, manufacturers are still turning out pens which stop writing. To be fair, this is often because customers insist on taking them apart. The fountain pen industry aimed at holding returned pens to three per cent. The ball-point pen makers hope to do as well. A few months ago much criticism was directed at the fugitive inks in ball pens but the inks are more durable now.

A year ago the pen seemed simply a hot-selling gadget. Now it seems apparent it is here to stay. Of the Big Three, two are now making the pen and the third is still putting sizable sums into re-

search. The pen has made the Sears, Roebuck catalog, Macy is producing one of its own, and the variety chain stores are beginning to stock the cheaper models.

It's being improved

BETTER pens and better inks have been accompanied by improvements—for instance, retractable points which make caps unnecessary and ink cartridges which can be bought for refills so that the pen need not be sent back to the factory. Eversharp has recently developed inks of different colors—you can change color simply by changing cartridges. Prices of some brands are beginning to fall and claims are getting down to earth. Reynolds originally advertised the ball pen as "the successor to the pen and pencil set," and Eversharp treated it as the successor to the pen. Today Sheaffer doesn't treat it as a successor to anything, advertising it as "not a pen, not a pencil."

That's fairly close to actuality. What Ladislao Biro started was a new writing instrument. While we can laugh at the ads and other monkeyshines, nearly 60,000 of these instruments are being turned out daily.

And probably more research money is being plowed into the ball pen per week than ever went into a conventional pen. The fumbles of the past year, the wild scramble and the squabbling are part of the price we pay for progress.



Speak Up, Retailer



A FRIEND of mine, an attorney, returned home several weeks ago from Europe where he had had a series of interesting experiences. As word of his travels got about, this group and that invited him to address their members. It wasn't long before the number of his talks had passed the 25 mark, some of them in cities as far as 200 miles away. Only the other day he inquired of me, "Do you suppose these people are writing to each other about my talks?"

Of course they are. His material is interesting.

This reminds me of a visit I had not long ago with a dozen merchants when the subject of public speaking came up. During the discussion I asked: "Suppose the telephone rang this instant, and the caller wanted a speaker for a meeting Friday night. Assuming none of you had a previous engagement, how many would volunteer?"

Four of them decided they might try—but only after considerable thought. This aroused my interest and for a couple of weeks I posed the same question to similar gatherings. Always the answers were proportionately the same.

Retailers would do well to follow the lead of my attorney friend and seek as many public appearances as possible. It's an effective way to draw closer to the public—your customers and clients.

In every community there are organizations literally crying for interesting programs. The social and study groups of every church, service clubs of your own and neighboring cities, farm organizations, hobby clubs, civic groups—your telephone book is full of them.

What should one talk about? For most adults, next to pure entertainment, the "instructive or illustrated" speech is the best received.

There must be many women's organizations in every community

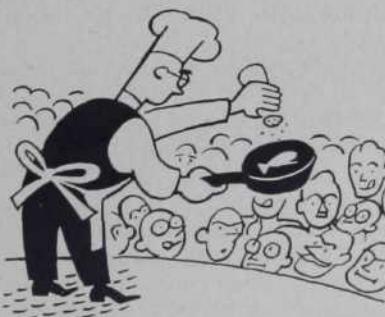
which would welcome a talk on dress materials, or even just one material, say woolens. So here goes the soft-lines retailer with a few bolts of woolens tucked under his arm, or a fistful of woolen dresses, or what-have-you; he uses them to illustrate his talk and makes a hit.

The same procedure will work for the shoe man when talking about leathers, the jeweler about diamonds or the hatter about bonnets. Every article of woman's apparel, every article of use around the house is a good subject.

If anything, a male audience offers even greater latitude in this type of talk because of wider interests. Most men are hobbyists, and those with mutual interests are always forming clubs.

Craftsmen will always go for something on the care and selection of tools, sportsmen will listen to a talk on guns and shells or fishing reels and rods or other sports equipment. The restaurant man who doesn't work up a talk on men's cookery and then illustrate it with on-the-spot cooking is missing plenty.

The mixed audience presents a more difficult problem but in no case is it necessary for the retailer to have had combat experience in the last war or to have floated around the world on a log. The only



requirements are that he know his subject and be willing to make a good try at speaking well.

During the course of his talk the retailer is indirectly selling his business and that of distribution. The fact that he knows what he is talking about will create a favorable impression on the audience, a practical demonstration of experience and study which helps eliminate any feeling that his business is something that anybody can get into and succeed.

—GEORGE SEIGLE

Ritepoint
The Easy Writing Pencil



Move your thumb back and forth across the point of a Ritepoint Pencil. Note that lead is firm and rigid. An exclusive Ritepoint feature—a special rifled writing tip—holds lead tightly and prevents wobbling.

Guarantee Service Certificate and an average year's supply of lead with every pencil.

Smartly styled, in modern colors.

\$1 at better stores everywhere

MANUFACTURED BY
Ritepoint Co.
ST. LOUIS 9, MISSOURI



The new post-war Oxford PENDAFLEXER, designed to give you modern "hanging folder" convenience for desk-side filing. Changes filing from laborious drudgery to fast, easy accuracy possible only with new-style Pendaflex hanging folders. Available Now. Immediate delivery by your Oxford Pendaflex office supply dealer. NEVER BEFORE SUCH FAST, EASY FILING. You'll find uses for PENDAFLEXERS all over the office—wherever filing equipment is scarce and quick reference is needed. The PENDAFLEXER gives you 24 inches of the most efficient filing possible. Pendaflex folders hang upright, never slump and hide. Every folder tab is visible for instant reference.

*Reg. U.S. Pat. Off.
If your dealer does not have the PENDAFLEXER in stock, write to us.

OXFORD FILING SUPPLY CO., INC.
Pendaflex Division
345 Morgan Avenue, Brooklyn 6, N. Y.



You Can BUILD FAST in Macon

GET THE HARDBOILED FACTS

- Your business or the plant to house it can be built fast in Macon. This is a center of building material, with a climate that cuts building and building maintenance costs. The problem of housing your operation is simpler here.
- Macon is in the heart of a rapidly expanding market. New skills, greater incomes, have created higher living standards. The market within night shipping distance warrants branch production and distribution facilities, and Macon offers logic and facts as to why they should be here.
- If will and skill of workers is a factor, credit that to Macon, too. Our people gained advanced know-how during the war, but entertain no delusions of grandeur.
- If raw materials are a factor—this section is rich in many. We will gladly give you an engineering analysis of the facts about what you need.

The Hardboiled Lowdown

- Macon has spent many thousands of dollars to learn the truth about itself. We are ready to give it to you, cold. If we cannot improve your position, we say so—because we want only success here, as you do.
- Why not, today, write for the hardboiled lowdown on the Macon Industrial Area? You'll get it straight from the shoulder here, without adjectives.
- Write for our book "Make It in Macon." It is free, of course

Macon

AREA DEVELOPMENT COMMISSION
P. O. Box 288 • Macon, Georgia

The Sea Yields Her Riches

(Continued from page 64)
keep obnoxious substances from collecting in and clogging tubes.

Long before the war, the shark leather industry had established itself firmly in its limited trade field.

Shark skins cost ten to 15 per cent more to finish, but they are tougher than calf hides. Every year about 800,000 pairs of children's play shoes are tipped with shark skin to resist scuffing; this outlet accounts for 70 per cent of the American hides. About 15 per cent go to make luggage, and the rest find a market as men's belts, wrist watch straps, billfolds, and women's handbags.

The American industry is limited to the east coast; the Pacific shark skins aren't big enough to tan profitably; 25 per cent of the hides today come from American waters, the rest from the Caribbean and Gulf of Mexico.

The Atlantic fishing fleet of the Borden Milk Company, which catches sharks for the vitamins in their livers, is the biggest American supplier of hides. The Ocean Leather Company at Newark, N. J., is the largest tanner.

As a by-product, Borden sells quantities of sharks' fins to processors who extract a gelatin which is sold to Chinese-American restaurants for use in the famed shark fin soup. Chinese exporters before the war also bought quantities for shipment to China to be used in soups.

The average eight-foot shark has a value of \$1.50 for the hide, \$1.26 for the fins, \$6 for the oil, and about \$5 for the meat, which is popular in Central America.

Forty firms, most of them on the east coast, make buttons from mussel shells; six companies, including LePage, manufacture fish glues and isinglass, and 38 process

lime and poultry feeds from oyster and clam shells. The vitamin trade accounts for millions of dollars' worth of fish livers annually.

Fish also are an important source of our insulin supply.

For stock and fertilizer

CLOSE to 2,500,000,000 pounds of fish—slightly more than half the total weight of all caught—go into fish meals and oils. The meals are popular stock feeds and fertilizers, while the oils have innumerable industrial uses, figuring in the manufacture of such products as paints, linoleum, oil cloth, textile waterproofing materials, felt floor coverings and finishes for patent leathers. Fish oils are mixed with sand to make cores for steel castings where a porous quality is needed.

Fish fats helped make glycerine and soap during the war. The general trend recently has been toward greater utilization of the oils for manufacturing purposes.

All our phosphorous fertilizer is of marine origin.

Around the corner may be a number of new industrial uses for fish. A factory in Hamburg, Germany, is manufacturing synthetic textiles from fish products. Information about the process may be obtained by writing to the Department of Commerce, Washington 25, D. C.; the rights were confiscated as war booty and any American citizen is entitled to use the method.

To the Chinese goes the credit for providing a market for what certainly is a novel by-product—hormones of sea lions. It is traditional among Chinese—those who can afford it—to take them as a tonic for a month in the spring and fall. It is said the Chinese will buy all we can ship to them.

Frozen Food Trailers

AMONG the newest types of refrigerated bodies designed to preserve the quality of frozen foods while in transit is a stainless steel refrigerator van, with fibreglass insulation, built by Advance Manufacturing, Inc., and sold by Fruehauf Trailer Co.

The air-conditioned van, rated for temperatures down to ten de-

gress above zero Fahrenheit, is capable of delivering precooled products such as ice cream, meats and other frozen foods at the same temperature at which they were placed in the van.

Other models, which are expected to be in production soon, will be capable of maintaining below zero temperatures.

The **BEST ANSWER** to a **SERVICE CALL**



The Universal "Jeep" is the ideal service car for garages, service stations, cab and public transportation companies and fleet operators.

It gets through the thickest traffic in the quickest time. It carries mechanics and has room for tools, spare tires, batteries, extra parts and equipment. The center power-take-off can power an air compressor for tire inflation.

When cars are stalled in residential driveways and narrow streets, the "Jeep" with its 4-wheel

traction can go around the disabled vehicle and get in best position for towing or pushing.

With its unique combination of 2-wheel drive for highway speed and economy, and 4-wheel drive for extra pulling power and more traction through mud, sand or snow, the "Jeep" delivers top-notch performance over a wide range of operating conditions.

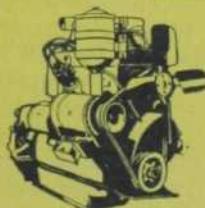
Willys-Overland Motors, Toledo, Ohio
MAKERS OF AMERICA'S MOST USEFUL VEHICLES



The versatile, sure-footed "Jeep" bucks heavy snow drifts and with a snow plow attachment clears plant yards, walks and driveways in a matter of minutes.

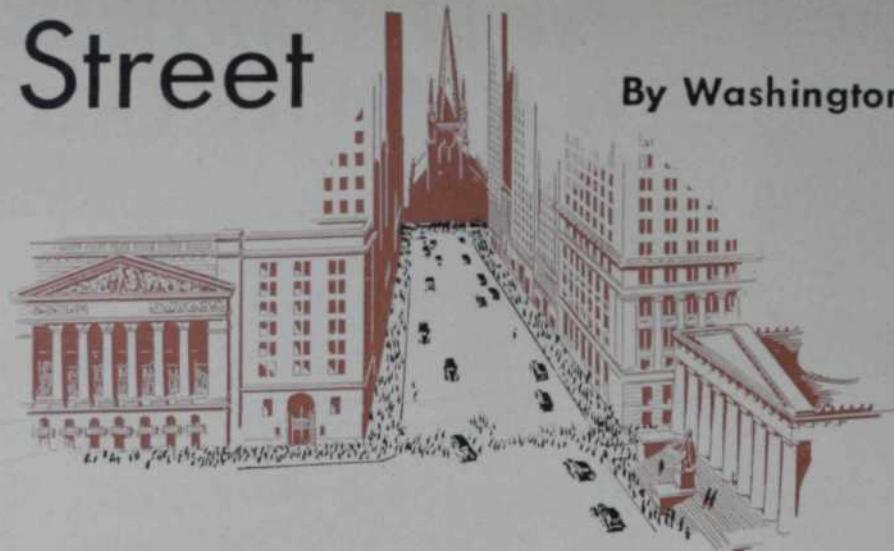
GET A **'Jeep'**

POWERED BY
THE WORLD-FAMOUS
WILLYS-OVERLAND
'JEEP' ENGINE



Our Street

By Washington Dodge



Old men

A BROKER who had just finished saying he thought that the decline in stock prices has gone far enough looked out of his window and added, "But I see something that makes me think I may be wrong." Expecting to see at least a riot, I was disappointed when I went to the window and he merely pointed out two withered ancients descending from a shiny chauffeured limousine and heading for the portals of J. P. Morgan & Co. (behind which still lurk two bouncers in civilian clothes). Pleased at my curiosity, he pulled from the bookcase a copy of James Clews' "Fifty Years in Wall Street" and turned to this underlined paragraph: "I say to the young speculators, therefore, watch the ominous visits to the Street of these old men. They are as certain to be seen on the eve of a panic as spiders creeping stealthily and noiselessly from their cobwebs just before the rain."

★ ★ ★ ★ ★

Profit

SOME months ago this column described the "If Account"—a mental tabulation most people in Our Street make of the profits that might have been . . . if.

Several weeks ago there occurred a trade which must have gone into all the "If Accounts" in the land. Soon after the opening gong, a block of 100,000 rights to buy Cincinnati Gas & Electric stock (rights issued by Columbia Gas & Electric) traded at the lowly figure of 1/128 of a dollar per right. Subsequent events proved that the sellers had grossly miscalculated, for practically as fast as anyone could say Jack Spratt (or even Marriner Eccles), they had

doubled in value to 1/64. Before trading ended, they had sold at 7/32.

From 1/128 to 7/32 does not sound like much—but it is a mathematical gain of 2,800 per cent. A nimble operator could have grabbed 10,000 rights for \$78 plus commissions, netted a profit of more than \$2,000. But he would have had to be nimble. By the time the rights expired they were back to 1/128. This fact was ignored by the newspapers which had played up the rise as the biggest one-day gain in exchange history.

★ ★ ★ ★ ★

Serge

UP TO press time there have been no new developments in the affairs of Serge Rubinstein, the 39 year old financial internationalist, currently seriously involved with Uncle Sam over the details of his draft deferment. When there are new developments, the press will undoubtedly again refer to him as "Wall Street broker." This tag is completely erroneous because, although Rubinstein's offices are on Our Street, and he ate regularly at the Stock Exchange Luncheon Club prior to the present unpleasantness, his operations were for his own account and for companies in his network (a word I use advisedly instead of "pyramid"). He did not speculate in the usual sense, confining his operations to a handful of situations whose ultimate success depended upon factors more or less not determined by the course of the stock market.

Rubinstein's litigious background was recently the subject of a *Saturday Evening Post* article.

(While this was a very excellent article it was strictly unpleasant reading to your columnist, who had just finished several hundred words on the subject for this publication.) Suffice it to say that he was born in Russia, where his father was financial adviser to Rasputin, dealt in currency and bank shares in France, bought control of a financially delectable investment trust in London, operated in Korea and Japan, and moved physical presence as well as assets to New York in 1938. To the fast-moving international money clique, Rubinstein is probably what Sophie Tucker was to the red hot mommas—last of. One broker who dealt with him (some would not) claimed that purchases were for the account of a Panamanian holding corporation on receipt of instructions from Havana, with securities being delivered to a Mexican bank.

If Rubinstein is convicted on the draft charges he will still cry "persecution." I am quite sure that in his own mind, devoted as he was to the allied cause, he feels as most of you readers would feel if, because of your undoubtedly business responsibilities, you were faced with a jail sentence for not having done jury duty. He is not a man to let himself be bothered by what he considers little things—and things that would floor most men are little things to him.

★ ★ ★ ★ ★

Great Dow

"IF you're so smart why ain't you rich?" the rural philosopher is said to have remarked to the urban slicker. As readers of this column may have gathered, said sentence summarizes the author's attitude



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toward those many fairly impudent gentlemen who nurture a sure-fire chart method.

Most hallowed of all theories of market movements is the so-called "Dow Theory." Usually a word of criticism against it draws indignant letters.

I do not wish to argue so technical a matter here—let me merely place on the record the *Wall Street Journal's* helpful comments on a day last August that seemed then rather critical, and seems more so in retrospect:

"Two differing interpretations are possible under the Dow Theory of yesterday's decline in the Dow-Jones industrial and railroad averages below the July 23 levels at which the current downward movement had previously halted. Unfortunately, the stock market is not an exact science, and there are times when students of the Dow Theory disagree as to the exact significance of a given movement. On the other hand, it is fortunate that, in this particular case, the question might be settled quite soon. . . . The question is technical and depends on the nature of the rally which lasted from late July to mid-August. . . . In addition, it is necessary sometimes to make up one's mind as to such matters as much by what the pattern looks like as by strict mathematical criteria."

Forecasting

THERE exists in Boston an expensive forecasting service which is based on planetary positions. The claim is that fear or confidence is correlated to these positions. In July, 1945, this service picked a period of four days in August as bound to contain an event of tremendous significance, probably the surrender of Japan, to be accompanied by panic. They hit V-J day right on the head. But the market went up instead of down. The latter may be explained away by saying the worldwide consternation caused by the atomic bombs was not the type of fear that affects markets.

This raises what seems to me an insurmountable theoretical question. Say some such system were proved to be infallible. Soon so many people would subscribe that the price would come down so more could afford it and eventually everybody would take it (or get their broker to read it over the telephone, probably at 10 o'clock when he should be watching the market open). If everyone knew the mar-

ket was going to break January 10, who would be left to sell stocks on January 10?

* * * * *

Margins

THE ban on margin trading has undoubtedly diminished the total volume of trading. It has also killed revenue from interest charges, previously a considerable income item. (In some years some firms looked to interest to pay basic overhead.) Most brokers are so eager to have margin trading back that they have subscribed without much thought to the belief that the great velocity of the September decline was at least partially due to lack of margin trading.

Although I am in favor of margin trading, I cannot believe its existence would have altered favorably the market's performance. It would probably have caused prices to go higher than they had, would have caused a great deal of forced selling on the way down. Margin trading might make for better day-to-day markets in individual stocks, but major declines are halted only by the arrival of real investment money.

* * * * *

Union

WORKERS in Our Street lay the recent defeat of the independent United Financial Employees in two important brokerage house elections to these causes: 1. Strong anticommunist feeling makes employes fearful of all unions regardless. 2. By calling out members of the UFE from the Floor for a ballot during trading hours the UFE acted against the welfare of the Street (as well as made itself look silly since trading was not affected). 3. In at least one of the firms many benefits now extant are greater than those sought by the union.

It is thought that these defeats will retard unionization of the Street a long time, especially as most firms are so constituted that direct contact between partners and employes exists.

Hot upon these defeats, CIO started "Operation Wall Street," saying:

"The heads of banks and brokerage houses are big-time operators. The cards are stacked against any 'independent' union. We must be in a position to deal with these financial giants as equals. With CIO we can."

Aside Lines



By CHARLES W. LAWRENCE

OPA was quite successful this fall in driving both the steers and the bulls out of the market.

★ ★ ★

WEST COAST fishermen complain of a severe shortage of sardines. Evidently they haven't been looking in the football stadiums.

★ ★ ★

A GOVERNMENT survey discloses that the average farmer is 33½ per cent more eager to buy an airplane than his city brother. His city brother has discovered he can get thrills more cheaply by taking up jay-walking.

★ ★ ★

THE American public is learning that the Government which is always free with a handout always has its hand out.

★ ★ ★

NEW YORK CITY, badly in need of new airports, is having trouble finding a way to finance them. The city fathers can't discover how to bring both airplanes and taxes down.

★ ★ ★

A BUREAUCRAT is one who thinks the way to feed a country is to cook its goose.

★ ★ ★

THE Navy is going to spend \$2,000,000 to test the human reaction to faster-than-sound flight. Our own reaction, which we will give for nothing, is "Jeepers Creepers!"

★ ★ ★

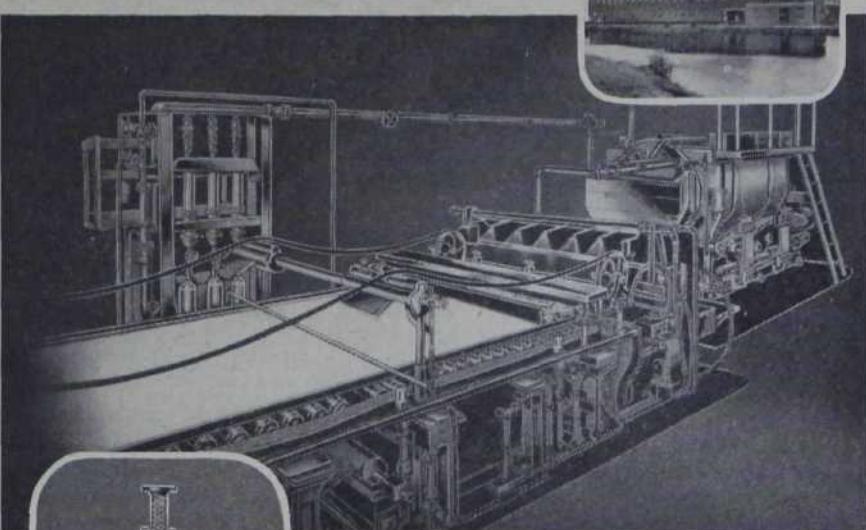
A NUMBER of the nations which we have been feeding have neglected to show any appreciation. If we want to get cooperation we may have to say it with something else than flours.

★ ★ ★

THE rising juvenile delinquency rate suggests that too many of our youngsters have been decontrolled.

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On the Lighter Side of the Capital



Maybe his feet hurt

ONE of the elder correspondents thinks that Mr. Truman is now having a swell time. He has decided to sit this one out. The worried politicians who feel they really must jitterbug may bump rumps—so far as Mr. Truman is concerned—to their hearts' desire.

"Not for Harry," the commentator maintains. "He's tucked his handkerchief in his collar and is cooling off."

The theory has its supporters. More and more discussion is heard of availables for 1948. Few think Henry Wallace will have a third party by that time, but still fewer think that Henry will not have some kind of hybrid on the political premises.

He has forgiven Mr. Truman for everything because he is a big, understanding man who had a fine upbringing. But he can see his duty, plain as plain.

Geese are flying south

IN the meantime, to the possibly jaundiced eyes of the elderly correspondent, the signs of the times are multiplying. He thinks that Mr. Truman's immediate associates are not as heavily charged with thought as were his companions of the summer. They laugh too much at the wrong places. If he seriously contemplated being a candidate in 1948 he would have thought at least once about receiving Paul Robeson and his associates for a talk on racial discrimination. He would at least have had an understanding about how that talk was to be reported:

"As it was told to the public, the President and the singer engaged in an unseemly wrangle. Not good at all."

But not so bad, so far as Mr. Truman is concerned. He has—still in the opinion of the correspondent quoted—nothing to worry about if he is not to be a candidate for re-election. Why worry about it if Mr. Robeson did stomp a little on his way out?

Being fair to Charley

THOSE who hold with the correspondent quoted that Mr. Truman will not come up for the second round usually mourn at this point for the departed Steve Early. Mr. Early stepped out of the Roosevelt Administration to pick up one of those satisfactory salaries in business. It is big enough to make silk underwear seem a commonplace but not so big that the income tax leaves the recipient morbid.

Mr. Early was able to do a good deal of Mr. Roosevelt's infighting for him. He would have either evaded the embarrassing Robeson episode or denatured it in advance:

"Poor Charley Ross," say the acid-droppers, "lacks political savvy."

Maybe he does. He is a kindly, quiet man who smells faintly of the library. Mr. Early knew several bartenders by their first names, which fact advanced his education by several semesters. But Ross cannot handle Mr. Truman as Early handled Roosevelt. FDR loved to play politics.

Truman kids himself now

SOME one printed a humorous story not long ago. Mr. Truman had been a little slow in getting from the library to his press conference in the executive offices:

"The Boss," according to the story, "is a little stiff in his joints this morning. He found some difficulty in getting his foot in his mouth."

Roosevelt would never have forgiven the man who wrote that jest. As Skippy used to say, it was belittlin'. In one way or another the writer would have been made to pay. Mr. Truman laughed.

But it's hard on Charley

IT WAS the day after this very sour little story had been printed

that Mr. Truman was asked about something of momentary importance. In replying he said with a laugh:

"This time I know what I am talking about."

The obvious reference was to *l'Affaire Wallace*, and his changes of front. Roosevelt would not have said such a thing. If he had blurted out such an indiscretion—and he never blurted—Early would have caught and stopped it. Mr. Truman didn't care a hang, in the opinion of those who think he will not run again.

For him—continuing to quote—the White House holds nothing but trouble. His family does not like it, and he is a devoted husband and father. At home in the West he is assured of a reasonably happy future. Maybe they're all wrong.



The sparks fly upward

MEANWHILE Sir Robert—Papal-Hannegan is fit to be tied. Recent events have not lightened his job of holding his party together. Also the sites of his ulcerated teeth still bother him. He must maintain to the political public that Mr. Truman will be the 1948 candidate, although not knowing at what moment Mr. Truman will go into his butterfly dance. There is a report that Hannegan will step out as chairman shortly after the November election.



"Not likely," say the old hands. "If he did the party organization would break up like a dunked doughnut."

But then very few of the things that have been happening lately have been even remotely likely. Nor does it seem probable that anything to be foreseen in the future will be likely. As, for example, the streamlining of Congress.

An aroma of doubt

CORDELL HULL once said:

"Heaven is a sweet place—but the road to it is rough and full of rocks."

Congress can be streamlined under the new law. Also it can *not* be streamlined. There are a lot of men now in Congress who like their present committee assignments very well indeed, and there will be a lot of new men who will be looking around for committee prospects leading toward fancy offices

and a little white meat. There are cynics around the newly air-conditioned halls who say that the only kind of contest that cannot be fixed is a fight between Japanese warrior fish. No one has yet found out how to talk to a fish.

The dear, dead past

THE gentleman from Pennsylvania said he was kind of brought up on stories of the Whisky Rebellion.



His grandpa, he said, or maybe it was his great-grandpa, was credited with having carried his opposition to federal interference with

his fiscal affairs so far that he shot an excise agent through the leg. Not that he would hold with such stern measures in dealing with OPA.

"Anyhow, I'm a sort of vegetarian. I can get along fine without meat."

But when he heard about the banana outrage he did lose his temper. A banana wholesaler he knows has a warehouse filled to the eaves with bananas. He cannot afford to sell them to retailers at less than 15 cents a pound, but the OPA ceiling in the District is 11 cents, and the wholesaler says he is going to let the bananas rot before he lets go.

It reminds him, says the gentleman from Pennsylvania, of the OPA ruling a little while ago that the new style in women's coats was two inches too long and so the coats were ordered sent back to New York to have the two inches cut off. He doesn't know what his grandpa, or maybe it was his great-grandpa, would have done about that.

"Stalled Ox" coming up

IN THE National Press Club the opinion is heard that Paul Porter is now choking down his dinner of herbs, but that the roast meat is in the oven. Mr. Porter is well liked in the P. C. Before he became the head of OPA he was rated as a friendly, likable fellow who told good stories and never got the idea that his fundamentals were one of the cornerstones of the republic.

Then he became chief of OPA and in this capacity is just as well liked at 14th and F Streets as he is anywhere else in the country. That sentence can be read either way.

"They must be cutting him in for something good," is the highly realistic opinion in the P.C.

Now the story comes that when OPA sinks for the last time, which—barring a November accident—will be June 30 of next year, Mr. Porter will resume the chairmanship of FCC, which he gave up to be the all-American target. Charles R. Denny is acting chairman, and is credited with doing a good job, but he'll have to make way for the martyr.

State of the nation

COUNTERCLOCKWISE at the Round Table in the National Press Club sat a public relations man who once rated a life story in NATION'S BUSINESS, a corporation lawyer, a British correspondent, a flying colonel, a railroad press agent, a radio expert, a writer, a war correspondent, a retired lobbyist, a soldier-reporter, an unhappy stranger, a columnist. The subject discussed was:

"Has the integrity of the American people been impaired by the events of the past few years?"

No formal verdict was reached. Sir Willmot Lewis was once prompted by Round Table conversation to revive an old story. A man had been arrested for beating his wife:

"She talks too much, Judge" the offender pleaded. "All the time. My gosh, I'm goin' nuts."

"What does she talk about?" asked the judge.

"She ain't never said."

A rap for the press

THERE was fairly general agreement that the American press is falling short of the good things it says about itself. It is pretty good, mind you—easily the best in the world, although the British press has its points—but it swallows government handouts as a carp does bread crumbs:

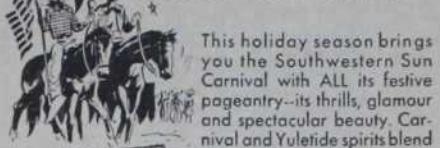
"OPA had 45,000 men and women in its propaganda department."

There was general agreement that the press is honest, however. Subject, of course, to human limitations. The FBI snared a handsome man the other day who had taken a rich man for \$125,000 on a variation of the Spanish Prisoner trick. This is the oldest and best advertised swindle in existence. The handsome man was well-aged, prosperous, and had operated under 20 different names—

"And he never took an honest name in his life," said the FBI.

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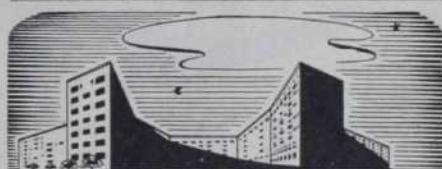
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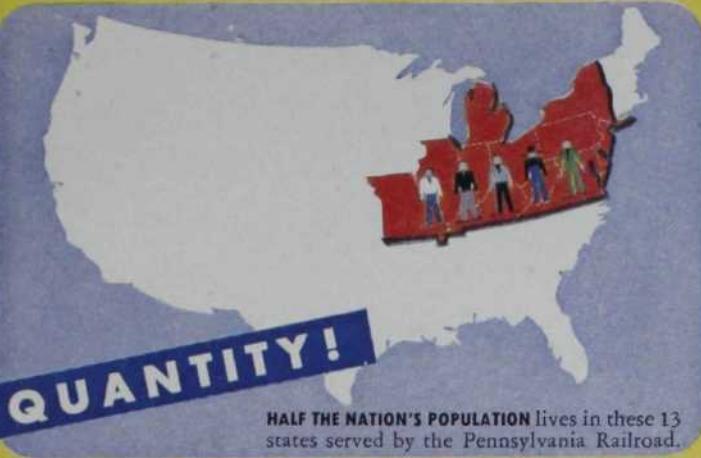


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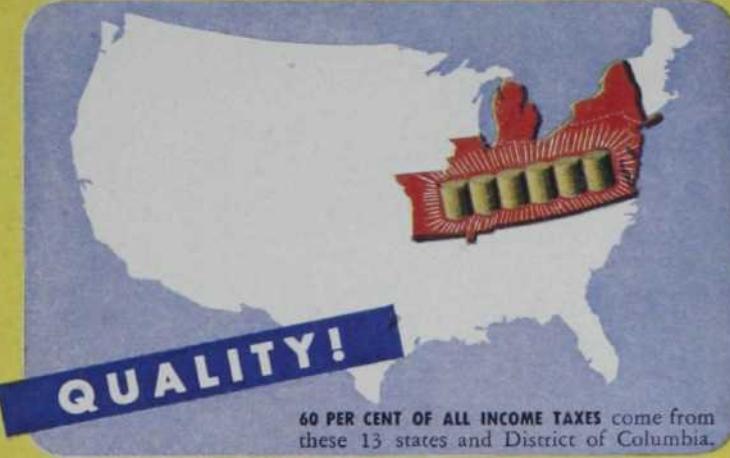
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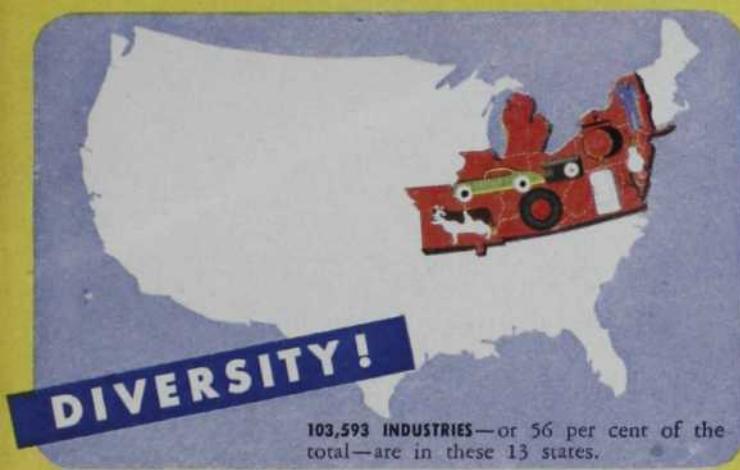
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...so if you're planning a New Plant

"DO IT ALONG THESE LINES!"

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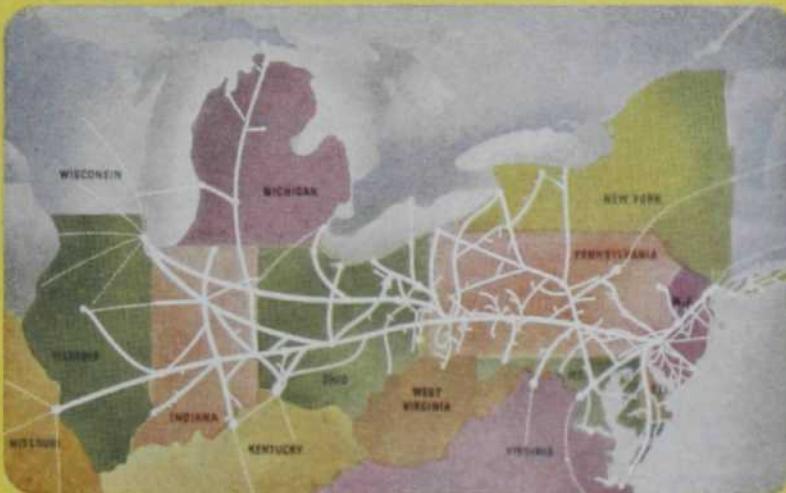
- The best transportation, via the shortest East-West rail route
- The most extensive pickup-and-delivery service
- More than 1300 passenger trains a day
- Direct service to Atlantic and Great Lakes Ports
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- Abundant natural resources
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Young Man in White

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He has his textbook education . . . his doctor's degree. But, in return for the privilege of working side by side with the masters of his profession, he will spend a year—more likely two—as an active member of a hospital staff.

His hours are long and arduous . . . his duties exacting. But when he finally hangs out his coveted shingle in private practice he will be a doctor with experience!



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YOUR "T-ZONE" WILL TELL YOU...

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• The makers of Camels take an understandable pride in the results of a nationwide survey among 113,597 doctors by three leading independent research organizations.

When queried about the cigarette they themselves smoked, the brand named most by the doctors was . . . Camel.

Like you, doctors smoke for pleasure. The rich, full flavor and cool mildness of Camels are just as appealing to them as to you.

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